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Category:

**Special Initiative under the USAID Strategy for Cooperation
in Lithuania**

Activity Title:

Assistance to the KTU Panevezys Management Training Center

FINAL REPORT

Cooperative Agreement 181-A-00-97-00320

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Content

Executive summary.....	1
Introduction.....	4
History of project.....	6
Description of activities and results	11
Financial analysis.....	18
Future plans.....	22
Conclusions.....	28

Attachments:

1. Information on training courses
2. Financial statements
3. Table and graphical presentations of financial and other data
4. Publications
5. List of projects
6. Success stories

Executive Summary

The Center of Management Technology and Business Training (short name: Management Training Center, MTC) of Kaunas University of Technology in Panevezys (KTU/P) has received the funding of the United States Agency for International Development (USAID) under the Co-operative Agreement #181-A-00-97-00320. The period of agreement, initially envisioned for 15-month period, has been extended to 33 months - from September 1, 1997 to May 31, 2000 – by several modifications to the Agreement.

This Co-operative Agreement fell under the category of a special initiative, the USAID strategy for co-operation in Lithuania, which was focused on the improvement of enterprise capacity. The activity title was: Assistance to the KTU/P Management Training Center. The activity was funded as a follow-on award to continue the effort started in 1995 and terminated in June 1997 under the Co-operative Agreement between the USAID, Texas A&M International University and KTU/P.

The purpose of the Co-operative Agreement was to provide support for the MTC in furthering program activities and achieving programmatic and financial self-sustainability, which would lead to a long-term existence. Major impact to be achieved was the establishment of the center of excellence in western management technologies and business training able to satisfy the needs of the business community in the area for training and retraining of managers.

The major principles, which guided the Center, were:

1. The maintenance of quality and excellence in management education.
2. Introduction of western management technology to the business community of the Panevezys area.
3. Creation of a self-sustainable institution.
4. Installation of systems and practices which will assure the long-term existence of the Center.

The goals that the MTC had to pursue were indicated as follows: a) strengthen the business skills of managers of businesses, NGOs, local and regional governments; b) enhance the reputation of the KTU/P and improve the skills of its regular faculty, including administrators, instructors and support staff; c) serve as an agent of change by example and through training programs and service activities.

The total program amount was \$494,571.00, including the USAID obligated amount of \$200,000.00 and a cost-sharing amount in cash and in-kind obligated by the MTC and Kaunas University of Technology in Panevezys (KTU/P) of \$294,571.00. The actual total amount contributed by the three parties to the Co-operative Agreement is \$577,730.44. The actual contribution of the USAID amounts to \$159,674.96 and the cost-sharing part is \$418,055.48 (MTC - \$241,353.96 and KTU/P - \$176,701.52). Therefore, the three parties – USAID, MTC and KTU/P – have contributed 27.6%, 41.8% and 30.6%, respectively.

The USAID funding was used to:

1. Provide a variety of short-term advisory services to assist in developing practices,

2. Train and improve skills of the Center management staff, which training will include development of an accounting system, a marketing department, and technological capabilities.
3. Finance consultants with western management skills for training of trainers to achieve programmatic self-sustainability.
4. Provide some direct financial support for operations, including general operating expenses, communication costs, salaries of key staff, to cover anticipated deficits.
5. Purchase a small amount of training materials, equipment, and software.

Through several consecutive modifications to the project the vision of the Center was adjusted to accommodate the stronger than anticipated demand for computer, English language training, and training to support democratic development of the community.

With adjustments affected the increase in the number of target groups to include business managers, entrepreneurs, NGOs, social workers, local and county government employees, bankers, teachers, K-12 students, youth leaders, women.

In brief, the vision of the Center adjusted to one, which encompasses entrepreneurial training, computer and English language training and community outreach services at a level of sophistication appropriate to the requirements of the community. This vision gives a better description of the Center's status of integration with the community it was created to serve.

The combined efforts of the USAID, MTC and KTU/P to implement the above purposes and goals were rewarding. The project resulted in the training of 5000 participants from the above target groups. 55% of these participants were women. The participants were offered 357 courses totalling to 9339 hours of instruction.

Participants came from 640 small and medium size enterprises and from large companies. The geographical distribution of corporate and individual participants spans more than 25 cities of Lithuania. The bulk of them come from Panevezys and the north-eastern area of Lithuania.

Most of these participants evaluated programs as matching their needs and adequate for practical application. Participants adopted new management techniques and were able to: create new marketing strategies; use modern computer technologies to improve efficiency; prepare personnel management programs; implement changes in organisational structures of their enterprises; do modern financial analysis; apply western cost accounting practices; develop business plans for submission to foundations or banks. These and other applications of new management techniques accounted for the creation of almost 100 jobs and saving of more than 300 jobs.

As training helped to address immediate needs of these business participants and provided the necessary skills, their practical application resulted in the increase of productivity and efficiency, and the general improvement of private business operations. The latter improvements led to subsequent strengthening of SMEs, increase of their competitive advantage, enlargement of market shares. Some of the success stories are provided in the Attachment 6.

Throughout the history of this project the capacity of the Kaunas University of Technology was increased as the Center has provided 50 KTU/P faculty members, administrators and support staff with an opportunity to improve their professional, teaching methodology, computer and English language skills for the benefit of the students they teach and research enhancement. 17 KTU and KTU/P instructors have served and continue to serve as trainers of the MTC programs.

However, the major impact achieved is the establishment of the MTC itself, as a self-supporting non-academic entity of Kaunas University of Technology. The support of the USAID has been vital in steering the Center through its start-up and its development periods towards its self-sustainability. This period encountered with the period of transition of Lithuania to market economy and democratic life style. It was a turbulent period both, for emerging organisations, businesses, and for institutions and systems of the country itself. Therefore, the Center witnessed and experienced the same difficulties as any other emerging entity in this country, at the same time contributing considerably to the development of other institutions, businesses and organisations.

Today the MTC is a self-supporting institution. Its programmatic self-sufficiency is based on the availability of 57 well-trained local instructors, and the capacity to offer 68 different courses in business management, computer technologies and foreign languages. Its financial self-sufficiency rests on the existing revised business plan that has course delivery schedules and financial projections outlined until the end of the year 2001, ability to sell its products and secure other local or international funding through writing of grant proposals. Financial stability is cushioned by the profit secured by the MTC during its operations. The new by-laws and a separate bank account give the required flexibility to make management decisions, which is part of institutional self-sufficiency.

During the five years of its existence, or rather turbulent development, the MTC has become an unalienable part of the city of Panevezys and its community. It speeded up the democratic processes within the city. Its programs advocating civic behaviour and voluntary personal contributions towards solution of community problems, and encouraging people to become informed, educated, active and responsible citizens steadily create a stable basis for prosperity of democracy. This is a very important social aspect of the MTC impact.

The activities of the Management Training Center driven by the philosophy of the market economy and democratic values, which were supported and maintained by the Center staff in partnership with the USAID and KTU, have produced a phenomenon. This phenomenon is the change of attitudes of people and the capacity to do so.

Introduction

The Center of Management Technology and Business Training (the short version is: Management Training Center) is a self-supporting semi-autonomous non-academic unit of Kaunas University of Technology. It is located in Panevezys, Lithuania.

It has been established as a center of excellence in western management training of entrepreneurs and businessmen by a previous USAID grant. Since the beginning of this grant in September 1997 its strategic vision has been adjusted to accommodate a stronger than anticipated demand for computer and language training, as well as training to support the democratic development of the community. This shift was in line with the demands of the community and the region.

The Management Training Center, MTC, is now an institution that is integrated with the community and serves its diverse business and non-business groups: entrepreneurs of small and medium size businesses, large business managers, social workers, women, bankers, K-12 students, different interest groups. It enriches the services that are provided by the academic part of the Kaunas University of Technology in Panevezys, KTU/P.

With the establishment of the Center, for the first time KTU/P, as an institution, reaches out to such a wide range of corporate and individual constituents of the local market. The MTC has become the leading center of many community initiatives that help to build numerous partnerships within the community as well as skills and practices of participation of its members in the community problem-solving activities.

The MTC emerged in Panevezys, a former industrial center with numerous large manufacturing plants, at the time of disintegration of large companies and increase of unemployment in the city and the region. At the same time many small and medium enterprises, SMEs, were created, and they needed the development of management skills to withstand competition in the economies in transition.

In its stages of early development MTC conducted a 300-hour Small Business Management Training for business representatives, instructors and local government people. This had a direct influence on the municipal government's decision to create a new strategic plan for the economic development of the city. According to the plan, the development of the SME sector became a principal goal.

Although the SME's offer the best potential for growth, most managers need western management technology to improve their businesses. Through interviews and analysis the MTC has discovered that SME managers who have completed training offered by the Center and who have implemented western ideas also enjoy the greatest degree of success in business. More information on that can be found in the section depicting the success stories of MTC alumni.

The physical facilities of the Center are located in the very center of the city of Panevezys, the capital of the north-eastern area of Lithuania. Facilities are rented from the Panevezys Junior Technical School on a no-rent basis. The Center has two auditoriums that hold 50

attendees. There are two rooms equipped with computers. One has 25 workstations, including one for the instructor, the other – 10. The larger lab is used entirely for computer/information technology training, the smaller one – for computer and English language training. All the computers are connected to Internet.

The facilities have two rooms for the staff. One is for the Director and Associate Director, the other houses 6 members of the staff: Business Program Manager, Computer Program Manager, Language Program Manager, Accountant, Engineer, Administrative Assistant. The Center has also a Housekeeper and two guards. There is also a half-time person, a Research Manager. The Center staff are considered KTU/P employees.

The staff itself has gone through numerous training events to improve its adequacy for implementing MTC goals. Its organisational structure has also been changed to be able to increase the efficiency of its operations. Staff members are part of the changing institution: four members of the staff are university students (three are doing their bachelors' programs, one is in the MBA program). The improvement of the quality of each member improves the general performance of the Center.

The Center's association with the Kaunas University of Technology has been a positive factor in terms of increasing its visibility and credibility. However, there were some disagreements on the exact relationship and responsibilities between the two institutions. The revised by-laws established the semi-autonomous position of the MTC within the KTU/P structure where MTC has its separate account and can utilise its income from non-governmental sources. As of January 1, 1999 MTC is no longer funded by the Lithuanian Government money through the KTU/P.

The MTC has significantly contributed to the strengthening of the faculty of the KTU/P by providing opportunities to the faculty members to be part of the training activities organised by the MTC, either as participants or instructors.

During 1997-2000 the MTC has developed close relationship with the Office of the Mayor of Panevezys and earned its support for Center activities within the community. Two city Mayors and several municipality employees, including Administrator, Heads of Economic Departments, Counsellors of the Mayors, Heads of various departments have participated in leadership and women in development training. A large group of Department Heads of the municipality has gone through English I. and German I. training. The Youth Committee of the City Board financed the MTC's "Youth Leadership 2000" program to develop citizenship, leadership and character qualities of high school students and supported it financially.

The MTC continues its close relationship with the local government. As recent as June 2000 it offered the municipality a pro bono workshop on Principle Based Leadership. In May 2000 the MTC won a tender to train social workers for the year 2000-2001. Part of the participants will come from the Social Support Department of the city municipality.

The MTC tries to be responsive to the needs of the community and to maintain close relationship with the KTU/P in pursue of its mission, goals and priorities.

History of the project

The history of the USAID award (No. 181-G-00-97-00320) to the KTU Panevezys Management Training Center goes back as far as January 1994. Kaunas University of Technology at Panevezys (KTU/P) and Texas A&M International University (TAMIU) signed a memorandum of agreement outlining a program of cooperation between the two institutions. The universities agreed, among other things, upon exchange of faculty and students, and the creation of an MBA program under the auspices of TAMIU to be taught in Lithuania.

In December 1994 per RFPD of the USAID “Management Training and Economics Education for Central and Eastern Europe” KTU/P and TAMIU jointly proposed a three-year project to help develop the Center of Management Technology, Entrepreneurship, and Public Administration (COMTEPA) into a center of excellence in management training and economics education. Total program cost amounted to \$4.14 million, including \$2.25 million in USAID contributions. The two universities committed themselves to share 40% in the cost of implementing this joint project.

The co-operative agreement was awarded for \$3.7 million for the period of July 1995 – September 1998. The USAID committed to contribute \$2.2 million (60%), and the remaining \$1.5 million (40%) was committed in cash and in-kind by both universities.

The purpose of the award was to provide initial financial and training support for COMTEPA, established by the KTU in March 1995, and to develop a strengthened and sustained institutional capacity to deliver high quality training and educational programs and to become a catalyst for market reform in the region. The project aimed at strengthening four major categories of activities: entrepreneurship training, executive education, support programs and training of public managers.

Entrepreneurship training aimed at developing a cadre of entrepreneurs who will serve as models for other Lithuanian small businesses, impact market reform in the region, and create employment opportunities to absorb unemployment resulting from downsizing of many large firms. Entrepreneurship training was also to include training of trainers in small business management courses and for workshops and short courses. TAMIU had to train trainers (first part of training to take place in Lithuania using TAMIU professors, the second part, 51% of graduate course work – at TAMIU). KTU/P had to train entrepreneurs. For the purpose of training of trainers the grant envisioned carrying out of an MBA program for 6 Lithuanians in the U.S. in its second year and for 6 in its third year of activities.

Executive education aimed at training of top managers of large organisations, executives, administrators in municipal governments and non-profit organisations and university faculty. The objective of enrolling university faculty was to strengthen the institution in business education and increase its capacity to deliver quality programs. After the end of the project TAMIU had to continue providing executive training and other educational programs in Lithuania.

Support programs had to include preparation of training materials, creation of computerised database, providing access to data via Internet links, creation of a computer lab, interpreting services and ancillary activities.

Public administration focused on special workshops and short courses specifically designed for issues which managers in government and non-profit organisations confront.

By the end of the three-year assistance the Center was expected to achieve self-financing and to continue its existence as a viable semi-autonomous unit. The presence of TAMIU and KTU in the post-grant period had to encourage the Center to maintain its pace of activities.

In mid-1996 USAID financial restructuring resulted in project financing being reduced by 40% to \$1.3 million. This resulted in the elimination of the U.S. MBA program that intended to train trainers for the future operations at the Center and cuts in other programs and equipment purchases. Besides, TAMIU elected to end their association with the project one-year earlier than anticipated, in June 1997. These developments did not enhance the program progress, but despite these changes Center staff managed to get the Center functioning.

Although significant progress was made in establishing the Center, the early termination left insufficient time to implement transfer knowledge and practices, which would enable establishing a self-sustainable facility.

Just before the close of the project, in late May 1997, equipment was still being received and installed, and in June the new facilities of the Center were opened in a grand ceremony attended by dignitaries, municipal leaders and politicians. The Center was just beginning to enter into its second stage of development and was gaining momentum. It had a high level of visibility and support of the business community, city and province leadership, KTU and city community. This was not the right time to discontinue the support of the Center.

In mid-1997 the new Director and staff of the Center, called Center for Management Technology and Business Training (short variant: Management Training Center, MTC) wrote a proposal to USAID for a grant. The proposed activity was funded as a follow-on award to enable the institution to achieve the results targeted in the previous activity.

The new grant became effective as of September 1, 1997. The grant applied to the partnership of the Center and the KTU/P, outlining commitments made by the KTU/P and the Center, in furthering program objectives during the period beginning September 1, 1997 and ending November 30, 1998. The direct grant to the local partner KTU/P through which the Center had to receive its financing, belonged to a category of Special Projects, USAID/Vilnius, Lithuania.

The grant was to assist the Center in achieving programmatic and financial self-sustainability, which would lead to a long-term existence. The areas that needed most assistance were continuing training and upgrading of the staff and trainers, development of new programs and courses, establishment of management and marketing systems,

Major impact to be achieved was the establishment of the Center of excellence in western management and technologies and business training able to satisfy the needs of the business community in the area for training and retraining of managers.

The purposes of this grant were:

- The maintenance of quality and excellence in management education.
- Introduction of western management technology to the business community of the Panevezys area.
- Creation of a self-sustainable institution.
- Installation of systems and practices which will assure the long-term existence of the Center.

During its short existence the Center achieved its first two purpose. It laid the basis for working toward self-sustainability, which would improve chances for the long term existence of an academically and financially healthy institution.

The reduction in funding anticipated in the original grant created the necessity to become increasingly self-supporting prematurely. The outlook of the Center became more focused on shorter financial needs. Revenue building programs became an additional priority. This necessity, in part, diverted some energy away from achieving programmatic self-sustainability in the areas foreseen in the initial grant proposal.

The Center needed a full cycle of normal operations. The grant had to provide a variety of short-term advisory services to assist in developing practices to assure self-sustainability. It also had to provide funds to train and improve skills of the Center management staff, which training had to include development of an accounting system, marketing department, technological capabilities.

The grant had to finance consultants with western management skills for training of trainers to achieve programmatic self-sustainability, provide some direct financial support for operations, including general operating expenses, communication costs, salaries for key staff, cover anticipated deficits, purchase a small amount of training materials, equipment and software.

During the period of this grant there were several modifications. The purpose of the first one in October 1997 was an administrative change in the award number reflecting that the instrument applied was co-operative agreement, not grant as initially applied. Therefore the award number was changed to 181-A-00-97-00320.

The second modification in June 1998 was to revise program description and budget at no additional cost. The Center had to implement a new outreach activity in co-operation with USIS. The activity was to dub and provide videos to Chambers of Commerce in several northern cities and towns, as well as to produce videos in which successful alumni of the Management Training Center and returned EMED participants would reflect on their successes in adopting market techniques in their businesses. In relation with these new objectives there was a need to increase the staff training, purchase of equipment and materials, new training in dubbing, new video production.

The third modification in August 1998 extended the agreement period through July 31, 1999, revised the program description and budget, as well as increased the total agreement and the obligated amount by \$25,000. The total amount of award changed to \$200,000.

The purpose of the fourth modification in October 1998 was to transfer contracting authority to the Regional Contracting Office at the USAID/Budapest.

In October 1998 a Memorandum between the USAID, KTU, KTU/P and the Management Training Center(MTC) was signed. It outlined the commitment of all of the above-listed parties to develop the MTC, and specified the obligations of the different parties during the remaining period of the USAID project, as well as the commitments of the clients in return for receiving such resources.

The Memorandum also defined very clearly the self-sufficiency as the Center's ability to achieve its goals with its own resources for an extended period of time. This included financial sustainability (revenues covering costs), programmatic sustainability (having sufficient courses and instructors) and institutional sustainability (organisation can manage itself as an independent entity).

The fifth modification in October 1999 extended the project completion date to June 30, 2000, changed program description and budget with no additional cost. In recognition of a longer period of time necessary to achieve the targeted goal of self-sufficiency, the Center increased its own share of contribution and reduced the rate of expenditure from the grant to preserve funds for the period of the requested extension.

The vision of the Center was adjusted to accommodate the stronger than anticipated demand for computer, English language training, and training to support democratic development of the community. In brief, the vision of the Center changed to one, which encompasses entrepreneurial training, computer and English language training and community outreach services at a level of sophistication appropriate to the requirements of the community.

Among the targets for the last segment of the USAID financing were: training of trainers; course planning; increase in advertising for students; production of a brochure publicising the Center; solidifying the gains made in the business sector; modernising the English language teaching facilities to maintain competitiveness; broadening and deepening the community service element of the Center.

Therefore, initially envisioned as a center of excellence in western management training and economic education, the MTC revised its vision to one which better describes its status of integration with the community it was created to serve. The present strategic vision of the MTC is to be in the business of helping the Panevezys region improve the Lithuanian economy by developing leadership qualities as well as management skills and business training.

The purpose of the sixth modification was an administrative one - to change the Cognisant Contracting Officer.

Due to the very tight schedules of the graduation process of the USAID from Lithuania the last date for the USAID support for this particular project has been shifted from June 30, 2000 to May 31, 2000 to accommodate the time constraints to handle the administrative issues.

Thus, the Management Training Center has enjoyed the support of the United States Agency for International Development in two segments of assistance (1995-1997, 1997-2000) for the period of almost five years. The support has been vital in steering the Center through its start-up and its development period towards its self-sustainability. This period encountered with the period of transition of Lithuania to market economy and democratic life style. It was a turbulent period both, for emerging organisations, businesses, and for institutions and systems of the country itself. Therefore, the Center witnessed and experienced the same difficulties as any other emerging entity in this country.

It is important to note that in the process of its emergence, development and strengthening the Center it used the best practices of the old system and those of the western democracies to further its progress. But what is more important, the Center contributed considerably to the development of other institutions, businesses and organisations in Panevezys and the north-eastern area of Lithuania. As anticipated, it definitely became the agent of change, the leader in delivering western management technologies in Panevezys to satisfy the needs of its community.

During the five years of its existence, or rather turbulent development, the MTC has become an unalienable part of the city of Panevezys and its community. It produced numerous networks and partnerships. During all these years the community stayed focused on the developments occurring within the Center and around it. Events organised by the Center have always been widely and willingly featured by local mass media.

The existence of the Center has also enhanced the capacity of the KTU/P to satisfy the needs of a larger part of the community. Academic programs available at KTU/P have been enriched by such services as management and business training, leadership and citizenship education, as well as computer and foreign language training for diverse group of individuals within the community.

It is only fair to note that the USAID supported the vibrant development of the MTC via financial aid that allowed the Center to purchase modern equipment, to bring IESC consultants and university professors, to train staff and trainers, and to finance other operations of the Center. This support enabled the Center to achieve the status of an organisation that has cutting edge resources and provides state-of-the-art technologies for the benefit of the area communities.

The activities of the Center and the driving forces behind it, as well as the philosophy of the market economy and democratic values supported and maintained by the Center staff and the USAID management and administrators, produced a phenomenon that attracts the most progressive people to it. This phenomenon is the change of attitudes of people and the capacity to do it.

Description of Activities and Results

The period of the present Cooperative Agreement, September 1997 – May 2000, can be characterized as a period of activities directed towards income generation, building of programmatic, financial and institutional sustainability, and a period of intense marketing, community partnership development, and enhancement of the MTC visibility through representation in mass media.

More efforts were devoted to building the MTC potential as the project implementation environment became tougher – contribution from the USAID has been reduced by 20%. Enumerated are some of the activities that did not generate income by themselves, although they indirectly influenced the emergence of the Management Training Center as it is perceived today:

- Training of the staff in corporate in general & telephone marketing techniques;
- Implementation of the MTC structural changes – setting up of a marketing department;
- Creation of a computerised customer data base;
- Creation and offer of new products/programs;
- Participation in a tender of the Training Office of Panevezys Employment Agency to provide training for secretaries – referents;
- Participation in a tender of the National Lithuanian Leadership Committee to train Lithuanian managers;
- Hosting a visit by a new American Ambassador to Lithuania;
- Co-sponsored an informal meeting with the former participants of a highly successful entrepreneurship training program;
- Hosted an informal event on Soros Foundation to representatives of educational institutions. The Center has sponsored the establishment of a node through its network which makes it feasible for schools to connect to Internet;
- Published and mailed to customers information newsletter Economic Forecasts;
- Hosted open house for directors of gymnasiums from all Lithuania;
- Provided facilities to several meetings of presidential candidate supporters, members of Seimas, international conferences on Vacuum Technology and Equipments, etc.;
- Implemented numerous technical accomplishments – Internet, intranet, installation of a 100 BaseT network and change of its topology, installation of MTC telephone network;
- Translation and voicing over of videotapes (The Entrepreneurs and Something ventured) as well as their distribution to over 60 institutions over Lithuania identified as potential users;
- Organisation of a pro bono seminar for 49 KTU/P faculty and staff on grant writing using the competence of an IESC volunteer executive;
- Staff training by IESC volunteers in management, grant writing and fund-raising, business plan writing, marketing and market research;
- Creation of new job descriptions for the staff;
- Recruitment of new Center employees;
- Open house days for students;

- Co-operation with the Panevezys Rotary club in providing services to Panevezys Orphanage on several occasions and introduction of the MTC guest lecturers to Rotarians;
- Granting of USAID stipends for first-time business customers attending management programs;
- Approval of new MTC by-laws that established a semi-autonomous status of the Center;
- Establishment of a separate Center bank account;
- Andragogical training of MTC trainers;
- Creation of a three-year Business Plan of the MTC;
- Organisation of pro-bonus seminar for bankers in co-operation with the Bank of Lithuania;
- Participation of the Director and the Mayor of the city of Panevezys at a conference in Washington D.C.: "Global Meeting of Generations: Vision and Action for the Equitable Development in the XXI Century".
- Acquisition at no cost of Office 97 licenses from Microsoft company;
- Acquisition at no cost of the newest version of Adobe PageMaker from Adobe company;
- Co-operation with the military base in Panevezys in research of status of education of military personnel and soldiers, and their needs in view of their reintegration to civil life;
- Organisation of pro bonus computer training for children from poor families and computer painting competition for children with prizes solicited by the MTC from business companies;
- Participation as a corporate member in the Panevezys Regional Chamber of Commerce and Lithuanian Association of Adult Education;
- Publication of a new brochure about the MTC;
- Co-operation with the Pointman Leadership Institute in providing pro bonus training in Principle Based Leadership to Panevezys police, municipality, youth groups;
- Training of "Youth Leadership 2000" group as a result of a successful grant proposal to the Commission on Youth Affairs of the Panevezys City Council;
- Grant proposal to the Administration of Panevezys County to finance student summer camp "Summer in the World of Computers";
- Two grant proposals to the Training Service of Panevezys Job Exchange: "Basics of Use of Computers" and "Training Program for Accountants";
- Housing and participation at an international training of adult educators from Lithuania, Latvia, Estonia and Northwest Russia organised by the Nordic Folk Academy and Lithuanian Association of Adult Education;
- Participation at an annual County fair of businesses organised by the Panevezys Regional Chamber of Commerce;
- Training of social workers-practitioners as a result of a successful grant proposal to the Ministry of Social Insurance and Labour of Lithuania;
- Participation and presentation by the Director at the conference in Philadelphia: "Integrating Curriculum – The Service-Learning/Brain-Based Learning Connection in Schools and Communities";
- Co-operation with the Institute for Global Education and Service Learning in providing pro-bonus training sessions to Panevezys youth groups and high school

- Initiation of a partnership program between Philadelphia A.Lincoln High School and Panevezys Secondary School No.5. Part of the exchange ecological project utilising a service-learning method has been accomplished in May 2000. The second part will follow in March 2001. The school in Panevezys received as a gift a state-of-the-art equipment to measure chemical and biological status of water;
- Participation in two international projects to train Kaliningrad entrepreneurs and Belarus business managers as a result of a successful grant proposal to USAID/Moscow and USAID/Kiev;
- Participation and presentations by the Director and Associate Director at a training seminar of Swedish and Lithuanian women in Panevezys;
- Successful (second in a row) grant proposal to train social workers-practitioners to the Ministry of Social security and Labour of Lithuania;
- Participation of the Director and Associate Director at a women's conference of Baltic countries "Five years after Beijing conference. Achievements and Winnings";
- Participation of the Director at a training seminar in Washington for emerging women leaders from Lithuania, Estonia, Latvia and Northwest Russia;
- Participation by the MTC staff at numerous public events in Panevezys, as speakers and participants, numerous interviews to county radio, local TV and newspapers.

The income generating activities laid the foundation for the establishment of the Center as programmatically and financially sustainable and institutionally semi-autonomous entity.

The results of the MTC income generating activities for the period of this project, September 1997 – May 2000 are described below by the respective program managers of management, computer and foreign language training. The same information in the table and graphical format is presented in the Attachment 3.

On an annual basis all the training activities by categories have consistently demonstrated increase in absolute numbers of income (see Attachment 3). Namely, in 1997(4 months) the income from tuition was \$21,914.55; in 1998 - \$86,981.18; in 1999 - \$185,830.54; in 2000 (5 months) – 60,480.5. Management training generated approximately 31% (including international management training projects – 47%), computer training – 39%, and foreign language training – 14%. The table below features the change in income by categories in percents.

Category	1997, %	1998, %	1999, %	2000, %	Total average, %
Management	15.41	43.36	27.91	28.54	31
International projects			30.55		16
Computer	67.15	45.84	29.23	50.32	39
Foreign lang.	17.44	10.79	12.30	21.14	14
Total	100.00	100.00	100.00	100.00	100

These results were achieved through the increase in number of provided courses and course hours, as well as through recruitment of a larger number of participants. The table below summarizes the data on the number of courses, course-hours and participants throughout the period.

Period	1997	1998	1999	2000	Total
No. of courses	28	102	156	68	357
No. of hours	691	2414	4197	2037	9339
No. of participants	341	1446	2045	1062	4894

Throughout the period from September 1 - December 31, 1997, there have been a total of 6 management training programs conducted with 70 participants in attendance: seminar "Professional telemarketing" has been repeated 4 times, accounting program and seminar "Employment contracts, security and employer's responsibility" have been conducted once. 58% of these attendees were women. Major part of these attendees were from Panevezys (61), but there also were people from Alytus (1), Anyksciai (2), Pakruojis (1), Pasvalys (1), Rokiskis (1), Vilnius (1) and Utena (3). Management training programs generated \$3376,34 of income.

There have been a total of 5 English language training courses organized. English was an entirely new endeavor for the Center, therefore all the materials were newly prepared for five 50-hour courses and three new trainers identified and contacted but it generated 18% of MTC income - \$3821.75.

With start of the project the assortment of computer courses was increased. At the beginning of the year only basics of Windows 95 and Office 95 have been taught. Later, referring to the growing needs of users, we started organizing "Excel", "Internet", "AutoCAD 14" and "Computerized Office Work" courses. New computer training programs have been developed: "Excel for finance specialists and economists" and "Integrated Computer Training Program" that covered Windows 95, Word, Excel and basics of Internet. The total number of participants was 236. Computer programs generated \$14,716.46 in income.

Throughout the period of January 1 - December 31, 1998, there have been a total of 44 management training programs conducted with 713 participants in attendance. Management training programs generated \$37718,65 in income. 12 English language training courses with 74 attendees generated \$9386.50 and 46 computer training courses with 673 participants gave \$39,876.03.

With the assistance of the USAID and the International Business Network the MTC had a help of 8 consultants, one of whom came two times that year. Consultants were consulting the MTC staff on issues of internal work processes, program marketing, business plan writing, etc. and conducting seminars as well. Seminars by foreign consultants were very beneficial in terms of increased programmatic and financial sustainability, strengthened image of the MTC and improved qualifications of the staff and Lithuanian faculty who were given the possibility to attend all seminars.

According to IESC consultant's J.McDermott suggestions several "combination" programs have been developed to utilize the advantage of management, English and computer courses that the Center was capable to offer in one facility. Prices of such long-term courses were pretty high, and the demand was for shorter, more intensive and less expensive programs oriented to solving specific problems businesses were dealing with,

separately, to spread the costs and let customers choose what they need the most and can afford at the moment.

According to the research made by consultant J.McDermott, we found out that some big training centers offer language and other training courses in-house. Considering it as competitive advantage, the MTC prepared similar offerings according to its possibilities. A proposal to managers of companies has been prepared to organize language training courses in-house for small groups (4 persons). We found out that participants do not wish to study in big groups. This kind of training should be very well organized from technical aspect: using video material, recording training sessions, discussing the proceeding of training, etc. A 70-hour in-house program for a Job Market Training Center employees was the first one when the MTC secured an in-house English training contract.

In 1998 the MTC started a new 9-month program, a new activity that wasn't foreseen in planning its future activities as a training center - a civic society development program "Panevezys Leadership" to strengthen and concern contributions of society leaders to their community. It is repeated annually. This was the first civic development program in Lithuania.

Computer courses generated the biggest part of income and were in highest demand. This was related to the best class hardware and software available in the city and a well organized work. The most popular program among entrepreneurs and business managers was 42-hour "Integrated Computer Course". In it individual programs of "Windows", "Word", "Excel" and "Internet" were combined into one lengthy course. Very popular and the best income-generators were computer courses for high school students. Several new ideas have been developed and implemented how to attract more customers: we proposed children and adults to use separate computer work rooms with Internet connection. Mostly high school and University students have been using this possibility. One new long term program has been started "Lessons of informatics for high school students". Once time per week a group of students had lesson of informatics at the MTC. There were 6 groups of the kinds. Teachers of informatics from all high schools were invited to use the MTC computer classes. Also, a computerized accounting program "Stekas" has been installed. At the request of students course of programming in Turbo Pascal language was started. In order to attract as many students as possible, the MTC started to organize "open house" events. During this campaign students from many schools visited the MTC to get acquainted with programs offered.

Ads in national and local newspapers, open door events, competitions, direct mail and telemarketing were used to spread information about the Center and its offerings and to attract more participants to the training. The MTC increased number of ads in national and different regional newspapers to test the possibility to attract customers from all over the Lithuania, but as the costs were not adequate to results, these efforts had been stopped.

Throughout year 1999 there have been a total of 67 management programs conducted with approximately 930 participants in attendance. Management training programs generated \$51871.5 in income. Income from international management training projects amounted to the additional \$56780.26. Computer programs generated \$54,318.98 in income. The total number of participants was about 1007. Major part of participants were individuals,

German and French courses have been offered with 270 people in attendance. Revenue generated - 22859.80 (\$).

The MTC participated and won tenders to organize programs for social workers and international programs for Kaliningrad entrepreneurs and Belarus business managers. The Center continued to work in the field of civic society development programs and developed and started two more of them - "Women in Development" and "Youth Leadership 2000". To upgrade the qualifications of the trainers the Center organized a program on how to teach adults. The IESC helped to invite a consultant from the US who thoroughly analyzed past activities of the MTC and prepared a realistic business plan for the Center to implement and to reach financial self sustainability. The Center also had consultants from Hungary whose seminars together with the IESC consultant's seminars contributed to strengthening the Center's image and enriched its offerings to constituents in Panevezys and other cities.

More custom tailored programs were offered to companies. The MTC strengthened its efforts and successfully sold many in-house seminars by foreign and local consultants to companies in Panevezys and other towns. This has been achieved mainly by series of direct mail targeted to biggest companies, personal contacts with highest level managers of interested companies, timely development of necessary seminars and trusted lecturers. Specialized in-house language courses have been organized as well for bank officials in Agriculture Bank, in Panevezys. Also courses have been organized in Krekenava high school and Kupiskis Agriculture Bank. A contract has been signed with Lithuanian-American company Ochoco Lumber in Kupiskis for in house training of their employees.

New language programs have been developed to address new market segments- since May we have begun English courses for 6-8 year old children. During this course children are taught English as well as work with computers.

In August a new English training classroom has been equipped, 5 new computer were bought and the total of 10 workstations installed with desks bought and computerized English training program English Discoveries. The MTC became the only institution in the region offering such an advanced training program. That allows to gain a competitive advantage and to attract more customers.

The biggest part of income from computer courses was generated through the "Integrated Computer Program". Among students, the most popular have been long-term programs on Saturdays and Sundays. On the last training day students create "diploma works" - business cards with their photographs. A nice closing ceremony "Competition of computer drawings" has been organized for all students who attended courses at the MTC for the whole year. It was devoted to the International Day for Protection of Children. To reduce handout copying costs, an idea was developed to publish books for different computer programs.

Throughout the whole period of MTC life questionnaires remain an important source of information about quality of offerings and possible future offerings as well. Special questionnaires have been developed, mailed and data processed about possible offerings in other cities. Although results were encouraging, efforts to organize seminars in other towns failed.

To attract customers to its regular seminars the Center used to mail offerings complete with descriptions, short CVs and other necessary information to its potential customers on a monthly basis. For the first time the Center was an active participant of the trade fair in Panevezys, offering special discount packages for the registration during the fair time and increasing people's awareness of the Center and its training offerings. The Center has much benefited from a special campaign during which booklets have been delivered to post boxes of individual citizens.

The Center is constantly widening its circle of instructors, involving into its work professors from other cities and training institutions, to offer a better assortment and better quality of training.

Throughout the period of January 1 - May 31, 2000, there have been a total of 21 management programs conducted with approximately 183 participants in attendance. Management training programs generated \$17262,25 in income. A total of 29 English courses has been organized with 184 participants and \$2786.75 in income. There have been a total of 37 computer training courses. The total number of participants was about 2040. Computer programs generated \$30,431,50 in income.

During this period the MTC has been orienting its programs even more towards the needs of participants. The MTC continued to collaborate with foreign instructors and that made a good impact on Center's visibility in other Lithuanian towns. A greater variety of programs have been offered to satisfy the diverse needs of customers. Orientation was towards smaller numbers of attendees to give them the possibility to have the training as interactive and as useful as it is possible. The MTC strengthened its efforts in grant writing and they have been successful. For the second time the MTC won a tender to train social employees starting with September till December, 2000. A proposal to finance a program "Youth leaders - community service volunteers" has been submitted to the Baltic - American Partnership Program. The MTC will seek other opportunities to participate in tenders for training.

In-house language, computer and business training programs and seminars bring in a noticeable contribution to income.

During the retreat possible marketing strategies have been developed stressing the importance of the quality in the MTC offerings to its customers and its service level. Direct mail, ads and telemarketing remain important means of attracting participants to the seminars. The MTC continues to organize competitions for students. Prizes are donated by the companies. These events attract media attention and is valuable to the MTC as it increases its visibility and enrollments. These events are part of the MTC marketing strategy.

Questionnaires are looked upon as self-corrective element of the program throughout the whole period of the MTC life to gain important information about the customers' needs and the quality of instructors' work.

Financial analysis

Throughout the period from September 1999 to May 2000 the MTC generated income in cash in four areas of activities, that is management training programs, foreign languages training programs, computer training programs and international projects. Also the MTC activities have been financed by the USAID. KTU/P supported the activities of the MTC in kind.

The following financial analysis is supported by representation of financial and other data in table and graphical form. The 17 graphs and tables are provided in Attachment 3.

Income from the MTC activities throughout the period from September 1997 to May 2000 amounted to \$355206.77 (see table "Income from the MTC activities, September 1997-May 2000"). USAID contribution made \$159674.96 (see table "Income from USAID financing, September 1997-May 2000").

Total income throughout this period amounted to \$514881.73. Income generated by the MTC made 69%, USAID financing - 31% (see table "Income from USAID financing vs. income from the MTC activities in \$, September 1997 - May 2000").

Comparing income generated by the MTC in different years (see table "Income from the MTC activities, September 1997 - May 2000") we can see that:

in 1997 income amounted to \$21914.55 -	6%
in 1998 income amounted to \$86981.18 -	24%
in 1999 income amounted to \$185830.54 -	52%
in 2000 income amounted to \$60480.54 -	18%
Total income amounts to \$355206.77 -	100%.

We must note that only numbers representing 1998 and 1999 mean income generated during the whole year. In 1997 we have income just for 4 months (September - December) and in 2000 data shows income for 5 months (January - May).

As we can the largest amount of income has been made in 1999. A large contribution was included from international projects and that amounted to \$56780.26 which makes 30.55% of total income in that year. Without international projects income in 1999 amounted to \$129050.28 and that is by \$42069.1 more than in 1998. Income for the period of 5 months of 2000 makes almost a half of income received in 1999, without international projects.

Let us analyze annual income of the MTC according to the categories (see tables "Income by categories in 1997, 1998, 1999, 2000, in \$").

In 1997 the largest part of income was received from computer training courses - 67%. English language training programs gave 17.5% of income, management training programs - 15.5% of total income.

In 1998 income received from computer training courses and management training programs were similar and made respectively 46% and 43%. English language training programs gave 11% of all income.

In 1999 income was made from: international projects - 31%, computer training programs - 29%, management training programs - 28%, English language training programs - 12.3%.

In 2000 income was made from: computer training programs - 50%, management training programs - 29%, English language training programs - 21%.

If we look at the changes of income generated from different program groups by year (see table "MTC generated income by categories September 1997 - May 2000), then we can see such shares expressed in %:

Period	1997m.		1998m.		1999m.		2000m.		1997-2000	
	USD	%	USD	%	USD	%	USD	%	USD	%
Computer	14716,46	11%	39876,03	29%	54318,98	39%	30431,5	22%	139342,97	100%
English	3821,75	8%	9386,5	19%	22859,80	47%	12786,75	26%	48854,80	100%
Management	3376,34	3%	37718,65	34%	51871,50	47%	17262,25	16%	110228,74	100%
International projects	0,00	0,00	0,00	0,00	56780,26	100%	0,00	0,00	56780,26	100%
Total	21914,55	6%	86981,18	24%	185830,54	52%	60480,5	17%	355206,77	100%

Computer training throughout the whole period generated \$139342.97 of income, that makes 39.23% of all income received from the MTC activities. This income was not distributed in equal shares every year, it has been increasing every year. In 1997 (September - December) this share was 11% of total income received from computer training programs, in 1998 - 29%, in 1999 - 39%, in 2000 (January - May) - 22%.

English language training programs throughout the whole period generated \$48854.80 of income, that makes 13.75% of total income from the MTC activities. Income from English language training programs has been increasing by year as well. In 1997 (September - December) this share was 8% of total income generated from English training programs, in 1998 - 19%, in 1999 - 47%, in 2000 (January - May) - 26%.

Management training programs throughout the period generated \$110228.74 of income, that makes 31% of total income received from the MTC activities. In 1997 (September - December) this share was only 3% of total income generated by management training programs, in 1998 - 34%, in 1999 - 47%, in 2000 (January - May) - 16%.

In 1999 the MTC implemented two international projects that generated income of \$56780.26 which made 16% of total income from the MTC activities.

We can see that throughout the period the largest part of income has been received from computer training programs - 39%, then from management training programs - 31%, from

international projects - 16% and from foreign language training programs - 14% (see table "Total MTC income by categories, September 1997 - May 2000, in \$").

Let us see what income has been received from the USAID financing by year (see table "Income from USAID financing, September 1997 - May 2000, in \$"). We can see that:
in 1997 financing was \$29601.66 - 19% of total USAID financing,
in 1998 financing was \$65547.58 - 41% of total USAID financing,
in 1999 financing was \$35887.16 - 22% of total USAID financing,
in 2000 financing was \$28638.56 - 18% of total USAID financing,
Total financing was \$159674.96 - 100%.

We can see that the largest part of financing was assigned in 1998 and it made \$65547.58 or 41% of total amount that year - \$159674.96. The next years USAID contribution was evenly decreasing - in 1999 it was 22%, in 2000 - 18%.

Let us compare total income (MTC + USAID) with the expenses throughout the period of September 1997 - May 2000 (see table "Income (MTC + USAID) versus expenses, September 1997 - May 2000, in \$").

1997	expenses - \$32101,58,	income MTC+USAID - \$51516,21
1998	expenses - \$159 006,25,	income MTC+USAID - \$152528,76
1999	expenses - \$223923,41,	income MTC+USAID - \$221717,70
2000	expenses - \$56212,37 ,	income MTC+USAID - \$89119,06
Total	expenses: \$471243,61,	Total income: - \$514881,73

As we compare income and expenses by year we can see that profit(loss) in the below mentioned years was as following:

1997	profit	\$19414,63
1998	loss	\$(6477,49)
1999	loss	\$(2205,71)
2000	profit	\$32906,69

If we will compare total income and total expenses for the period September 1997 - May 2000, we can see that the MTC has received more income by \$43638.12 (514881.73 - 471243.61). Income exceeded expenses by 9.26%.

Another source of the MTC activities financing was Kaunas University of Technology Panevezys Faculty (KTU/P) that supported the MTC activities in kind (see table "Annual cash and in kind contribution of USAID-MTC-KTU/P, in \$"). Let us see what were the changes in USAID-MTC-KTU/P contribution throughout the period from September 1997 till May 2000.

Period	1997		1998		1999		2000		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%
USAID	9509,67	18%	75831,24	35%	50301,69	22%	24032,36	31%	159674,96	28%
MTC	19908,54	38%	72851,31	33%	113906,3	50%	34687,84	44%	241353,96	42%
KTU/P	22630,07	43%	70163,74	32%	63961,03	28%	19946,68	25%	176701,52	31%
Total	52048,28	100%	218846,3	100%	228169	100%	78666,88	100%	577730,44	100%

USAID contribution to the project for the whole period amounted to \$159674.96, that makes 28% of total contribution of all partners (\$577730.44). Although the share of the USAID contribution has been differing throughout the period of 1997 - 2000. In 1997 (September - December) the share of USAID contribution made 18% of total USAID contribution, in 1998 - 35%, in 1999 - 22%, in 2000 - 31%.

The MTC contribution to the project amounted to \$241353.96, that made 42% of total contribution of all partners (\$577730.44). The share of the MTC contribution has been varying by year. In 1997 it made 43% of total MTC contribution, in 1998 - 33%, in 1999 - 50%, in 2000 - 44%.

KTU/P contribution in kind amounted to \$176701.52, that made 31% of total contribution of all partners (\$577730.44). In 1997 contribution share of KTU/P made 43% of total KTU/P contribution, in 1998 - 32%, in 1999 - 28% and in 2000 - 25%.

Upon completion of an analysis of changes in income for the period from September 1997 till May 2000 we can consider the changes in number of course hours and seminar participants (see table "Change in number of course hours, 1997 - 2000" and "Change in number of course participants, 1997 - 2000").

From 28 courses during September - December, 1997, number increased to 102 courses in 1998, 159 courses in 1999 and 68 courses in 2000.

Period	1997	1998	1999	2000	1997 - 2000
No of courses	28	102	159	68	357

Number of course hours was also evenly increasing.

Period	1997	1998	1999	2000	Total
No of hours	691	2414	4197	2037	9339

Number of course participants increased from 341 in 1997 to 4919 during the whole period. We can also see the changes in numbers of women participants throughout the whole period. In 1997 women made 65% of all participants, during the whole period women made 55% of all participants.

Period	1997	1998	1999	2000	Total
No of participants	341	1471	2045	1062	4919
No of women participants	221	825	1153	503	2702
% of women participants	65%	56%	56%	47%	55%

Upon the completion of an analysis of financial changes for the period from September 1997 to May 2000 and seeing that all financial data is showing positive increases, we can make conclusions about the MTC capability for programmatic and financial self-sustainability.

Future plans

The Management Training Center (MTC) of Kaunas University of Technology in Panevezys has received USAID financing for almost five years (1995-2000) in two increments: July 1, 1995 – June 30, 1997 and September 1, 1997 – May 31, 2000. The second increment was a follow-on award to enable the MTC to achieve results targeted in the previous activity. The grant was to assist the center in achieving programmatic and financial self-sustainability, which would lead to a long-term existence.

The purposes of this grant were:

- The maintenance of quality and excellence in management education;
- Introduction of western management technology to the business community of the Panevezys area;
- Creation of a self-sustainable institution;
- Installation of systems and practices which will assure the long-term existence of the Center.

During the period of the follow-on award there were several modifications, including administrative change to the co-operative agreement, reflecting introduction of programmatic and budgetary changes. One in June 1998 revised the program description and budget to accommodate it for a new outreach activity – dubbing and providing videos to Chambers of Commerce and other institutions in the North of Lithuania, as well as producing videos featuring successful alumni of the MTC in adopting new management technologies.

This additional activity was later discarded as it did not generate income and did not serve the purpose of self-sustainability and diverted much of the MTC human, time and financial resources.

The Memorandum signed by the four parties concerned in October 1998 focused primarily on self-sustainability in its three essential parts: financial (revenues covering costs), programmatic (having sufficient courses and instructors) and institutional (organisation can manage itself as an independent entity).

The Business Plan of the MTC executed in May 1999 summarised a changed strategic vision – helping the Panevezys region improve the Lithuanian economy by developing leadership qualities at its “Center of Excellence” with innovative management technologies and business training. The Business Plan also stated the MTC’s mission:

- Satisfy the needs of the business community for business management, organisation, and economic education;
- Contribute to social and economic advancement through the spreading of foreign expertise and new technologies;
- Encourage the development of civil society and a free market economy through long-and short-term programs.

Modification five in August 1999 reflected the adjusted vision of the MTC to one which was more closely attuned to the needs and aspirations of the region in which it was

Therefore, during its lifetime the Center experienced considerable evolution in light of demands of the community it served and the supply of qualified people to become an institution integrated with the community.

With the withdrawal of the USAID assistance the MTC will continue efforts that will guarantee its self-sustainability. These efforts will have to serve the needs of the community of Panevezys and the Panevezys County.

Programmatic sustainability

The MTC has developed a business plan till the end of the year 2001, and adopted it as a guide for its future operations. It included a schedule of course offerings through the end of 2000. Upon completion of the USAID assistance program the MTC has the schedule of course offerings for the calendar year 2001 in the traditional areas of management and leadership training, foreign language instruction and computer/ information technology training. These course offerings will comprise the backbone of the Center's training activities.

The programs offered are oriented towards a bigger market share than before. The MTC envisions the expansion of its market segments to encompass business managers, entrepreneurs, representatives of the NGO sector, social workers, local and county government employees, bankers, teachers, K-12 students, youth leaders, women. The diversity of target groups will need different approaches to program content, as well as to training methods.

For its trainers' corps, the Center will utilise instructors, foreign or local, with the state-of-the-art knowledge to satisfy very diverse and changing needs of the customers for more advanced and more sophisticated courses that are practical and directly applicable/transferable to the work environment. The geography of local trainers will be expanded.

For short, dynamic and topical presentations the MTC will seek to involve doctoral and master students who study or work abroad while they are home, in Panevezys, on their vacation. They will contribute an interesting dimension to the existing course offerings and will serve as non-traditional guest lecturers/instructors for mixed audiences providing real western business/study experience.

The MTC will expand on its existing relations with the Management Development Center of Budapest University of Economic Sciences for training in Logistics Management, Managing with Cost and Profit Centers, Project Management. These courses expand the geography of customers from other cities.

More focus will be devoted to customer relations management to win repeat customers and to have a better understanding how acquired knowledge works for the customer. The attempt will be made to establish better personal contacts with personnel or training managers of organisations to have first hand knowledge of organisations' training needs and funding resources, and to enhance personal selling opportunities. This is also

expected to increase the number of in-house training sessions and reduce costs per participant.

The Center will participate in tenders for additional funding to supplement the regular training programs. As a result of a successful tender earlier this year the MTC will start a 1.5-year training of social workers in September 2000.

Another grant proposal is in the process of revision by experts: the grant proposal to finance program "Youth Leaders – Community Service Volunteers" (starting in September 2000) have been submitted to Baltic-American Partnership Program in May. The results of the tender will be announced at the end of June.

Yet another grant proposal to train youth leaders will be submitted in June to the Democracy Commission Small Grants Program with the U.S. Information Service.

A grant proposal is planned for submission to the Fund for Change in Education: to train teachers of economics.

This summer the MTC will participate in the tender for business training of Belarus and Kaliningrad entrepreneurs for a series of training courses to be administered during the period of 1.5 years.

The MTC is anticipating funding opportunities to train military personnel in small business management or information technology as part of their reintegration to civil work environment. The work has been accomplished in processing soldiers and other military personnel's questionnaires providing basis for justification of the great need of such training.

The MTC will continue its close relationship with the Panevezys municipality and Chief Police Commissariat. These relationships are not always based on for-profit services. For two years in a row MTC provided pro-bono services to these institutions thanks to its relationship with the Pointman Leadership Institute from California. This relationship will continue in the future contributing to building environment of trust in the MTC within the community.

MTC will continue its co-operation with the Bank of Lithuania and Lithuanian Free Market Institute and Lithuanian Banking, Insurance and Finance Institute to deliver topical informative presentations on the status quo in the field to MTC participants.

In the sector of computer/information technology training the MTC intends to participate in the project of training and presenting European Computer Driving License (ECDL). The license certifies that the holder has knowledge of the basic concepts of Information Technology and is able to use a personal computer and common computer applications at a basic level of competence. The ECDL is an internationally accepted certificate.

The MTC has a co-operation agreement with Lithuanian Telecom to train their employees in computer technologies. This co-operation will continue in the future.

- Creation of Web pages and their registration at search engines;
- Finding business partners through Internet;
- How to use search engines to find information;
- How to present activities and achievements of your company/department;
- How to find info on business conferences/meetings, fairs;
- How to find funding sources on Internet.

A grant proposal to the Fund for Change in Education is planned to train teachers of informatics. This is related to the fact that Panevezys schools will get over 270 computers and informatics teachers will need more knowledge and skills to use new hardware and software to train the students. The grant is due by the end of June.

The MTC will continue its co-operation with Panevezys high schools providing training for students in junior classes that do not have yet to study informatics. Kids of a very young age are willing to learn computers and schools cannot accommodate all the willing.

As always, MTC will continue providing training for individual students in programming and general computer literacy. With the tendency to learn how to use computers at a very young age, MTC will provide training for K-4 students as well.

During summer season kids will be offered short courses on how to create your own Web page and find friends to chat, how to find kids that have similar hobbies.

To be successful in foreign language training the MTC has added to its resources of English Discoveries software new books and video and audio tapes. These means will increase the efficiency of English language training. German and French will be taught too.

Good income generators are summer camps for children:

- English language and computers (6-10 year olds);
- Sports and computers (10-14 year olds).

Foreign language training will expand its offerings geographically to encompass neighbouring cities and settlements, mostly providing weekend programs as kids will have to commute.

MTC will continue its efforts in securing in-house language training contracts. Our experience is that they usually last longer and do not require expensive marketing on a constant basis once obtained.

Financial sustainability

Generally, on an annual basis, the MTC has consistently been generating more income every year of its operations. During the 33-month period of the project stretching over two full years (1998 and 1999) and part of two other years (1997 and 2000) the increase in

time the contribution from the USAID reduced almost by half. However, USAID support totalling \$159,674.96 for the period has been very important in achieving financial stability and growth. In many cases this support was for one-time expenses, such as consulting services or equipment purchases, systems installation, as well as staff training expenses.

Along with the decrease in the USAID financing came the gradual withdrawal of support from the KTU/P. Since January 1999 KTU/P has stopped its cash contributions to the MTC. Thus, the MTC experienced a gradual decrease in outside support, and this provided time for adjustments to the changing funding environment.

At present the MTC has its course delivery schedule and financial projections outlined for 2001 in place and will continue its operations under the new conditions implementing its plans of course offerings and securing new grants. It will also watch carefully the expenditure rate so that no mismatch occurs between income generated and incurred expenditures.

The MTC expects to boost its income generation plans by writing successful grant proposals. It has many ideas for proposals and adequate grant writing skills to make this a highly probable additional source of income. However, present income plan does not reflect any inflows of grant money.

Institutional sustainability

The major step in strengthening MTC sustainability was the preparation and approval of new MTC by-laws in January 1999 by the Rector of the KTU. It states that the Center is a self-supporting entity of KTU/P. It has its own account at the bank, can use independently all the additionally earned money – charity money, gifts and money earned through contracts with Lithuanian and foreign enterprises and organisations.

The by-laws build a good foundation for further MTC operations as a non-academic entity of KTU/P that enriches academic part of the KTU/P through its outreach to a wider variety of market segments than its academic part can embrace.

The next step in strengthening institutional sustainability of the MTC would be its NGO status or creation of an NGO by the MTC. Such status allows more opportunities to seek funding from local and foreign sources.

Factors that could strengthen position of the MTC is the participation at local, national or international organisations, conferences and meetings as it creates more partnership and collaboration opportunities. At present MTC is a member of Panevezys Regional Chamber of Commerce and the Lithuanian Association of Adult Education. MTC is a constant guest at the Panevezys Rotary club meetings and maintains its high visibility profile with the local media, which contributes to the perception of the MTC as an independent dynamic institution.

Paramount to institutional and financial sustainability is the relation with the KTU/P

the administration is going to take towards adhering to the vision of the Center. If the position of the Center and KTU/P administration differs this fact will be detrimental to the existence of the Center and the concept surrounding it.

Attached is the vision of the Dean of the Faculty of Management and Administration (MTC is a structural part of it) of KTU/P about the further perspectives of the MTC activities:

“In perfecting the activities of the MTC and increasing effectiveness of these activities I see a reserve. Its utilisation would improve the MTC image and work effectiveness:

1. In the presence of all the MTC staff clearly and understandably to agree upon rights, duties and distribution of responsibilities, and, based on that, to make job descriptions for each employee. On the basis of job description to make the structural management scheme. Present job descriptions disagree with general principals and norms of personnel management, and to KTU/P by-laws.
2. All the staff should periodically attend the seminars on office etiquette and adhere to these norms in their work with clients.
3. To implement compensation system according to the principle of work contribution (according to the methodology of Dr.Gaidiene).
4. Strategic directions of activities discussed in “Villon” in March are the basis for further development of activities and for MTC success.”

Conclusions

Throughout the period of USAID Co-operative Agreement (September 1997 – May 2000) the Management Training Center (MTC) of Kaunas University of Technology in Panevezys (KTU/P) established itself as a center of excellence that improves the Lithuanian economy by developing leadership qualities through training in innovative management technologies and business. It has strengthened business and management skills of almost 5000 managers from business, non-governmental organisations, educational institutions, and local and regional governments.

The Center has also become a provider of competitive skills in computer technologies and foreign languages for business and non-business customers. It has become an established institution that empowers managers of businesses, NGOs, local government institutions, individual women and high school students to become active citizens and community leaders through participation in community-related problem solving.

The Center has provided many (50) KTU/P faculty members, administrators and support staff with numerous opportunities to improve their professional, teaching methodology, computer and English language skills for the benefit of the students they teach. A number (17) of KTU and KTU/P instructors has served during the period and continues to serve as trainers of the MTC programs.

By providing these services and by being itself an active participant in the democratic processes in the community, the MTC serves as an agent of change in the northeastern part of Lithuania. The Center is highly regarded by both, KTU/P administration and the municipal authorities and is perceived as a driving force for further academic strengthening of the university and the economic development of the city.

The Center has its vision supported by the revised business and course-offering plan through the year 2001 backed with financial estimates of training income and operations expenditures. It has a staff that is well qualified and has experience in everyday management of the MTC operations.

During the past few years and the last few months of the year 2000 the MTC has demonstrated a constant growth in its revenues in all categories of training and its ability to be self-sustainable. It has already made successful efforts to secure additional grant financing for the period of the forthcoming 18 months. The MTC continues additional attempts of this kind.

The MTC has managed to strengthen all the three components – management, computer and foreign language training – of its income generating activities. This diversification is a safeguard against unexpected failures in one of the areas of training. For the period September 1997 – May 2000 management training accounted for 31% of income, computer training – for 39%, foreign language training – for 14%. International projects that provided management training are identified as a separate source of income, which constituted 16% of the total income for the period. If counted together, local and international management training account for 47% of the total income for the period of

The semi-autonomous status of the MTC established through its by-laws and through the opening of a separate bank account, as well as Memorandum of understanding signed by the parties to the Cooperative Agreement will continue to ensure the required level of independence in the MTC management decision making process.

The MTC has completed its 33-month cooperation with the USAID. This has been the complicated process of the MTC evolution into a self-sustainable institution capable of achieving the following goals:

- Strengthening business and management skills of managers from businesses, NGOs, educational institutions, and local and regional governments;
- Serving as an agent of change through training programs and service activities;
- Improving skills of KTU/P faculty, administration and support staff.

It is difficult to overestimate the importance of the USAID assistance in this process, which helped to counteract many of the one-time and other expenses of the MTC operations. During the period of September 1997 – May 2000 the USAID contributed \$159,674.96 in cash to the development of the MTC. This constitutes 27.6% of the total cash and in-kind contribution by the MTC (41.8%) and the KTU/P (30.6%) of \$418,055.48 to this project.

Total income earned during the project amounts to \$514,881.73 compared to \$471,243.1 in expenses, which gives a net profit of \$43,638.12 for the period. The latter money will be used as an additional source of the development of the Center and will serve as a cushion against unplanned income deficits.

It is, therefore, pleasant to state that the MTC has achieved the above goals that had been foreseen by the Cooperative Agreement 181-A-00-97-00320. As an established center of excellence the Center continues to provide its services of western management, computer and language training technologies and citizenship education to the numerous customers in the area.

Attachments

1. Information on training courses

MTC courses and seminars
1997 September - 2000 May

Year	No of training activities	No of management training programs	No of computer training programs	No of foreign languages training programs	No of hours	No of participants	No of women participants	Revenue generated (\$)
September - December	28	6	17	5	691	341	221	21914.55
January - April	103	45	46	12	2414	1446	825	86979.93
May - August	158	66	58	34	4197	2045	1153	184509.75
September - May	75	21	33	21	2037	1062	503	60480.5

2. Financial statements

1997 Financial statement

1997 Profit and Loss Statement	Real	Real	Real	Real	Total
	97-9	97-10	97-11	97-12	
Tuition revenue					
Computer revenue	3.425,87	2.312,42	7.248,73	1.729,44	14.716,46
English revenue		2.684,25		1.137,50	3.821,75
Management revenue		1.326,60	1.768,49	281,25	3.376,34
Checks from USAID		11.500,00	14.000,00	4.101,66	29.601,66
Total tuition revenue	3.425,87	17.823,27	23.017,22	7.249,85	51.516,21
Operating expenses:					
Fixed expenses:					
Administrative salaries and taxes	4.016,03	4.446,65	3.846,93	3.626,16	15.935,77
Business support salaries and taxes					0,00
Utilities	100,19	257,51	454,68	482,28	1.294,66
Security					0,00
Insurance					0,00
Incremental variable expenses:					
Maintenance and repairs	59,25				59,25
Instructors	241,38	362,07	759,14	1994,26	3.356,85
Phone	164,43	249,75	505,49	320,36	1.240,03
Marketing	796,27	460,87	89,21	100,36	1.446,71
Sholarships for the entrepreneurs					0,00
Office supplies		779,46	377,06	536,99	1.693,51
Other operating expenses			241,75	65,01	306,76
Local travel		71,25	70,00	97,50	238,75
Recurring operating expenses	5377,55	6627,56	6344,26	7222,92	25.572,29
Profit (loss) w/o one-time expenses	-1951,68	11195,71	16672,96	26,93	25.943,92
Non-recurring expenses:					
Staff training			216,50		216,50
Books, software, misc. fees, equipment	4.873,18		1.060,98	378,63	6.312,79
Consultants					0,00
Translations					0,00
Maintenance and repairs					0,00
Total operating expenses	10.250,73	6.627,56	7.621,74	7.601,55	32.101,58
Net profit (loss)	-6.824,86	11.195,71	15.395,48	-351,70	19.414,63
Permanent	-6.824,86	4.370,85	19.766,33	19.414,63	
1999 loss					

1998 Financial statement

Loss Statement	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Real	Total
	98-01	98-02	98-03	98-04	98-05	98-06	98-07	98-08	98-09	98-10	98-11	98-12					
Revenue																	
Revenue	3,956,71	3,534,19	3,562,13	767,25	2,897,75	888,75	625,00	2,370,00	6,975,00	5,563,75	6,999,50	1,736,00	39,876,03				
Revenue	2,658,50	1,737,50							853,00	2,825,00	875,00	437,50	9,386,50				
Revenue	743,75	8,817,50	8,368,25	1,774,75	2,760,50	2,434,50			6,610,00	1,739,50	3,414,40	1,055,50	37,718,65				
AID		4,932,36	7,325,27			16,712,82	16,962,82			5,095,25	8,968,92	5,550,14	65,547,58				
Revenue	7,358,96	19,021,55	19,255,65	2,542,00	5,658,25	20,036,07	17,587,82	2,370,00	14,438,00	15,223,50	20,257,82	8,779,14	152,528,76				
Expenses:																	
Salaries and taxes	3,583,98	4,079,86	4,263,13	4,263,13	2,520,20	7,623,70		3,998,55	3,611,10	3,608,67	4,632,90	4,830,66	47,015,88				
Salaries and taxes	758,49	659,70	524,70	412,20	161,45	179,60	113,66	116,46	134,96	227,39	487,31	635,30	4,411,22				
Expenses:													0,00				
Repairs													0,00				
Expenses:													0,00				
Entrepreneurs	92,48	303,57	529,01	732,20	719,27	222,74	833,63	594,93	231,89	1283,24	1427,42	1815,87	8,786,25				
Expenses	1806,82	289,82	991,99	308,94	50,03	396,18	331,24		626,53	848,62	906,99	566,77	7,123,93				
Expenses			43,90							53,70	61,52	162,15	321,27				
Expenses	6429,11	6939,11	9570,04	7393,35	6270,08	11333,84	3034,78	5877,54	7069,67	9267,19	9907,14	16201,18	99,293,03				
One-time expenses	929,85	12082,44	9685,61	-4851,35	-611,83	8702,23	14553,04	-3507,54	7368,33	5956,31	10350,68	-7422,04	53,235,73				
Expenses:													0,00				
Expenses:													0,00				
misc. fees, equipment	47,50	169,04	150	349,52	168,25	2596,76	1,448		3458,25	186,25			8,574,02				
Expenses	12,531,20			17,552,40		7257,19	2,773		6,330	600	1137,5		48,180,80				
Expenses					1596,5	450				530			2,576,50				
Expenses													0,00				
Expenses	19,007,81	7,108,15	9,720,04	25,295,27	8,034,83	21,637,79	7,255,74	5,877,54	16,857,92	10,583,44	11,044,64	16,583,08	159,006,25				
Expenses	-11,648,85	11,913,40	9,535,61	-22,753,27	-2,376,58	-1,601,72	10,332,08	-3,507,54	-2,419,92	4,640,06	9,213,18	-7,803,94	-6,477,49				
	7,765,78	19,679,18	29,214,79	6,461,52	4,084,94	2,483,22	12,815,30	9,307,76	6,887,84	11,527,90	20,741,08	12,937,14					

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1999 Financial statement

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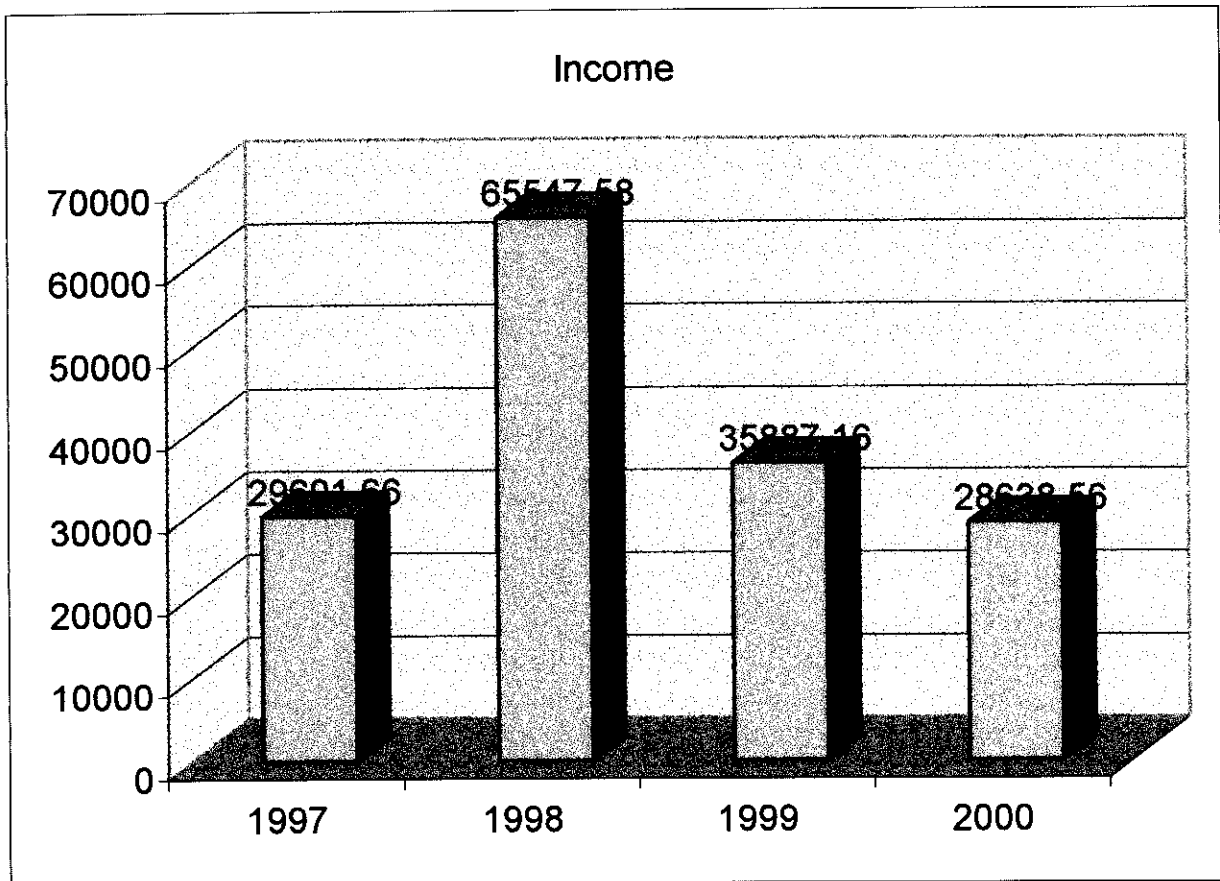
Financial plan 2000 (in USD)

Income Statement	Real 00-1	Real 00-2	Real 00-3	Real 00-4	Real 00-5	Forecast 00-6	Forecast 00-7	Forecast 00-8	Forecast 00-9	Forecast 00-10	Forecast 00-11	Forecast 00-12	Total
Revenue	10,431,87	8,499,13	3,177,00	4,622,00	3,701,50	2,442,25	600,00	2,007,50	10,000,50	9,000,00	5,001,00	3,001,00	62,483,75
Operating revenue	4,416,25	2,841,75	2,274,25	607,00	2,647,50	1,000,00	400,00	400,00	4,027,50	3,005,00	3,035,00	1,410,00	26,064,25
Net revenue	3,395,00	5,625,00	3,158,75	4,458,50	625,00	5,011,25	0,00	2,285,00	6,237,50	6,382,50	6,912,50	6,943,75	51,034,75
USAID	11,243,84		13,701,09		3,693,63								28,638,56
Revenue	29,486,96	16,965,88	22,311,09	9,687,50	10,667,63	8,453,50	1,000,00	4,692,50	20,265,50	18,387,50	14,948,50	11,354,75	168,221,31
Expenses:													
Salaries:													
Salaries and taxes	3,190,38	3,480,48	3,610,79	2,991,79	3,320,02	4,315,94	4,315,94	4,315,94	4,315,94	4,315,94	4,315,94	4,315,94	46,805,04
Support salaries and taxes	616,40	560,35	560,35	560,35	560,35	709,27	709,27	709,27	709,27	709,27	709,27	709,27	7,822,69
	742,89	974,71	272,20	740,75	260,18	193,00	103,00	146,00	197,00	396,00	550,00	593,00	5,168,73
		542,92	30,15	30,15	30,15	30,00	30,00	30,00	30,00	30,00	30,00	30,00	843,37
						107,50	96,75	96,75	96,75	96,75	96,75	96,75	688,00
Variable expenses:													
and repairs			82,53			125,00	125,00	125,00	125,00	125,00	125,00	125,00	957,53
	918,4	3,180,68	2,938,61	2,430,74	3,455,97	1,822,45	330,46	1,058,05	3,002,32	3,950,21	4,116,56	4,348,85	31,553,30
	398,22	419,03	365,34	418,29	402,58	200,00	35,00	160,00	700,00	650,00	500,00	150,00	4,398,46
	587,82	479,84	442,90	262,44	313,61	295,87	35,00	164,24	709,29	643,56	523,20	200,00	4,657,77
For the entrepreneurs	175,00	40,62	40,63	218,75									475,00
Fees	237,84	390,98	67,63	660,49	220,16	295,87	35,00	164,24	709,29	643,56	523,20	250,00	4,198,26
Living expenses		322,07	33,40	152,80	450,71	150,00	150,00	150,00	150,00	150,00	150,00	150,00	2,008,98
		13,86	85,34	91,15	173,55	40,00	40,00	40,00	40,00	40,00	40,00	40,00	643,90
Operating expenses	6866,95	10,405,54	8,529,87	8,557,70	9,187,28	8,284,91	6,005,42	7,159,49	10,784,87	11,750,30	11,679,92	11,008,81	110,221,04
One-time expenses	22620,01	6,580,34	13,781,22	11,29,80	14,80,35	168,60	-5,005,42	-2,466,99	9,480,64	6,637,21	3,268,59	345,94	58,000,28
Expenses:													
Operating expenses:													
Operating	450,00	17,50	2,112,75	671,50	215,85	0	0	0	0	0	0	0	3,467,60
Ware, misc. fees		51,00	395,81		21,73	0	0	0	0	0	0	0	468,54
	1,437,05	2,736,67					0	0	0	0	0	0	4,173,72
		257,47	238,00				0	0	0	0	0	200	695,47
and repairs	180,53	3,245,72	593,17		40,28	0	0	794,00	794,00	794,00	794,00	0,00	7,235,70
Operating expenses	8,934,53	16,713,90	11,869,60	9,229,20	9,465,14	8,284,91	6,005,42	7,953,49	11,578,87	12,544,30	12,473,92	11,208,81	126,262,07
Operating expenses	20,552,43	251,98	10,441,49	458,30	1,202,49	168,60	-5,005,42	-3,260,99	8,686,64	5,843,21	2,474,59	145,94	41,959,25
Total	31,280,86	31,532,84	41,974,33	42,432,63	43,635,12	43,803,72	38,798,30	35,537,31	44,223,95	50,067,15	52,541,74	52,687,68	

3. Table and graphical presentations of financial and other data

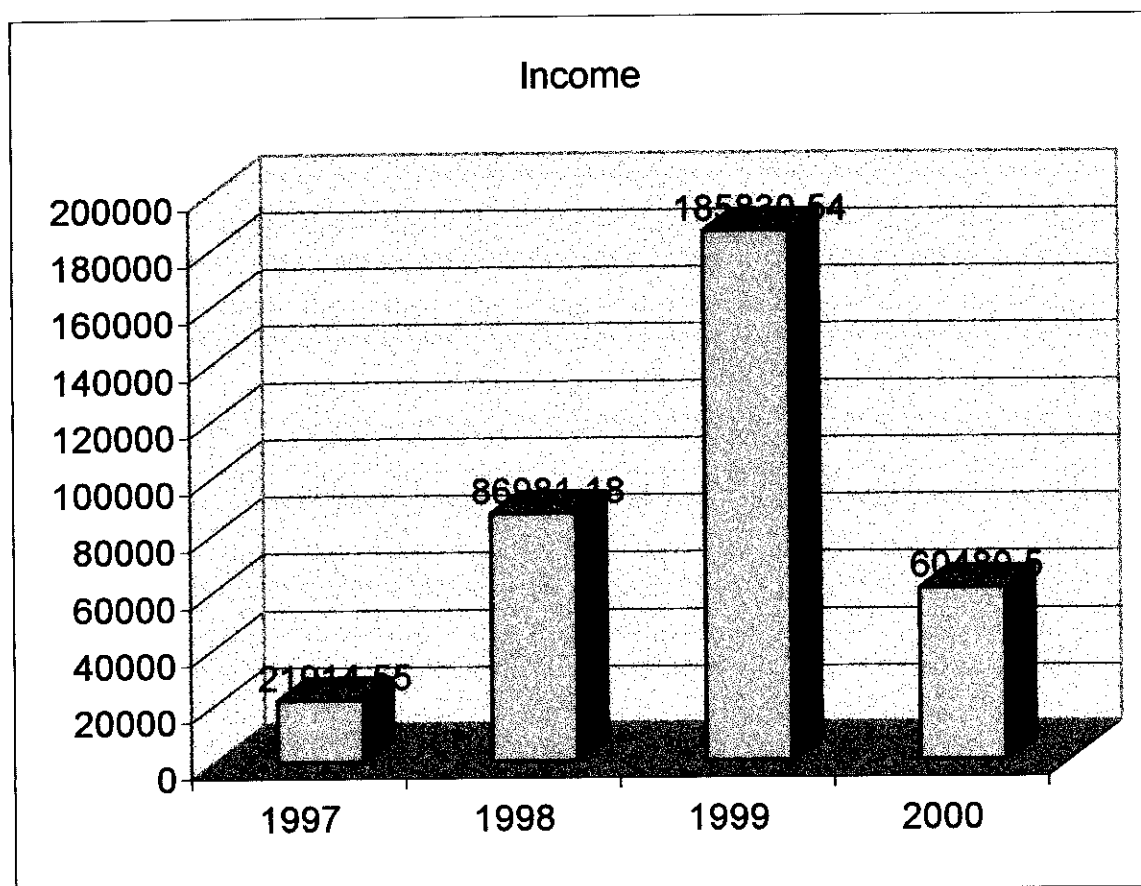
Income from USAID financing, September 1997 - May 2000, USD

Period	1997	1998	1999	2000	1997 - 2000
Income	29601,66	65547,58	35887,16	28638,56	159674,96
%	19%	41%	22%	18%	100%



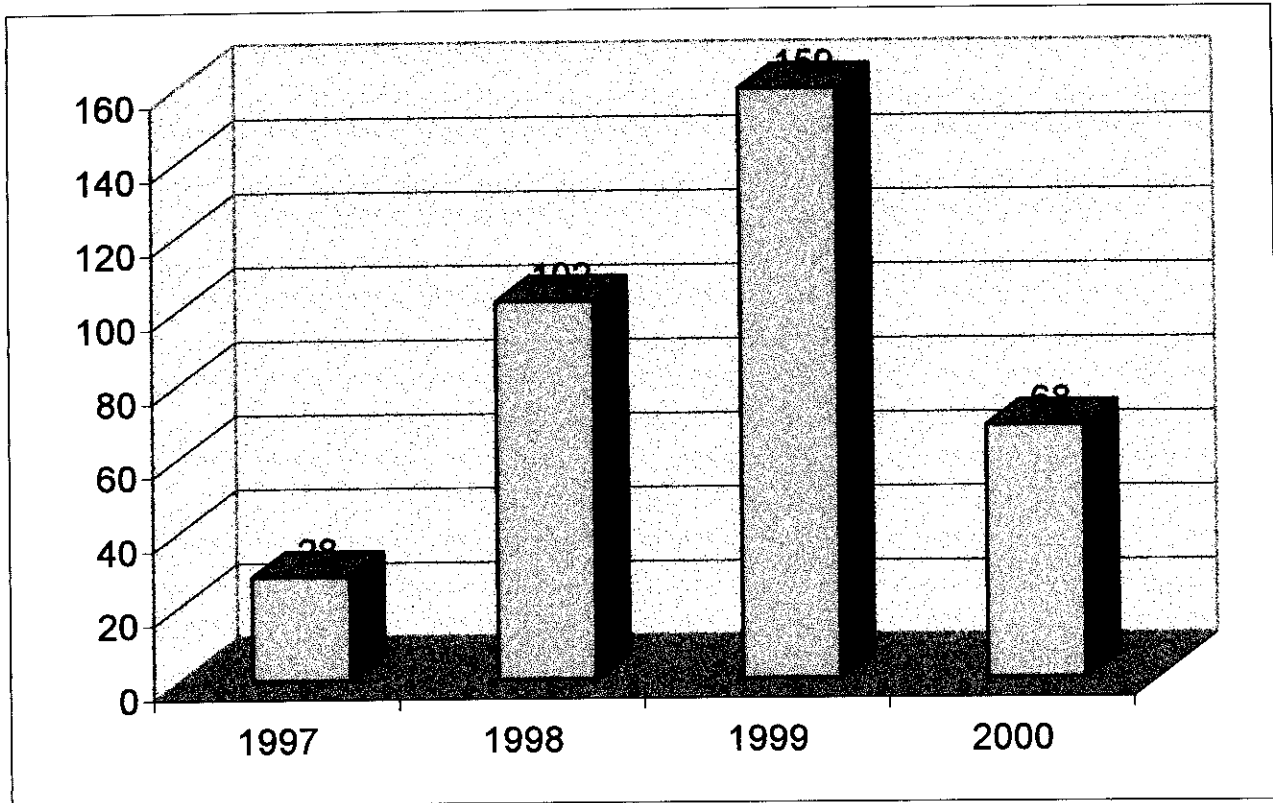
Income from MTC activities, September 1997 - May 2000, USD

Period	1997	1998	1999	2000	1997 - 2000
Income	21914,55	86981,18	185830,54	60480,5	355206,77
%	6%	24%	52%	17%	100%



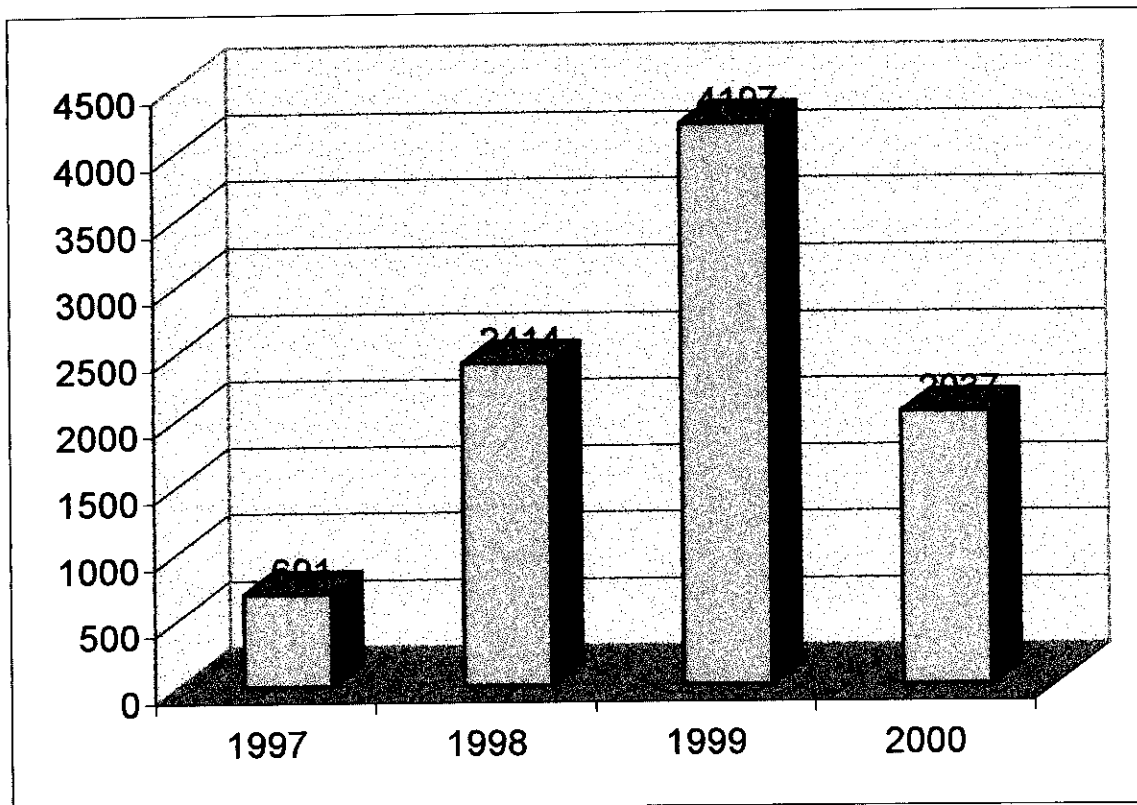
Number of courses, September 1997 - May 2000

Period	1997	1998	1999	2000	1997 - 2000
No of courses	28	102	159	68	357



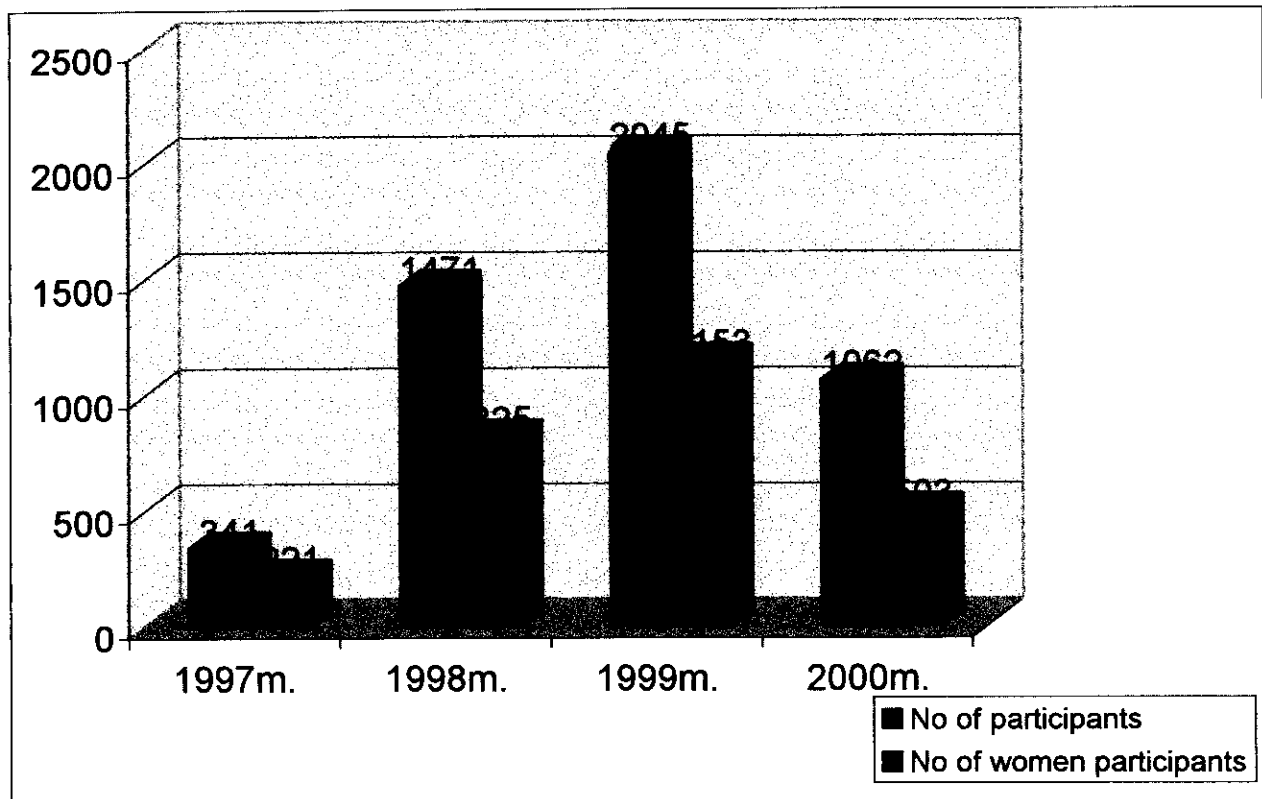
Change in number of course hours, 1997 - 2000

Period	1997	1998	1999	2000	Total
No of hours	691	2414	4197	2037	9339



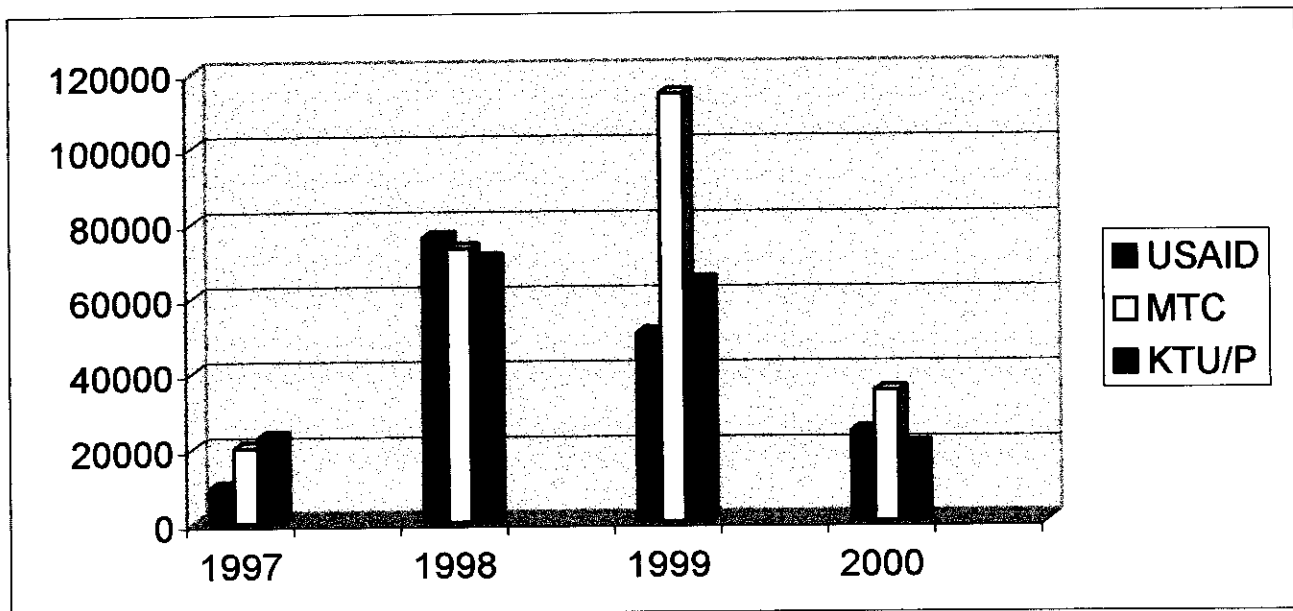
Change in number of course participants, 1997 -2000

Period	1997m.	1998m.	1999m.	2000m.	Total
No of participants	341	1471	2045	1062	4919
No of women participants	221	825	1153	503	2702
% of women participants	65%	56%	56%	47%	55%



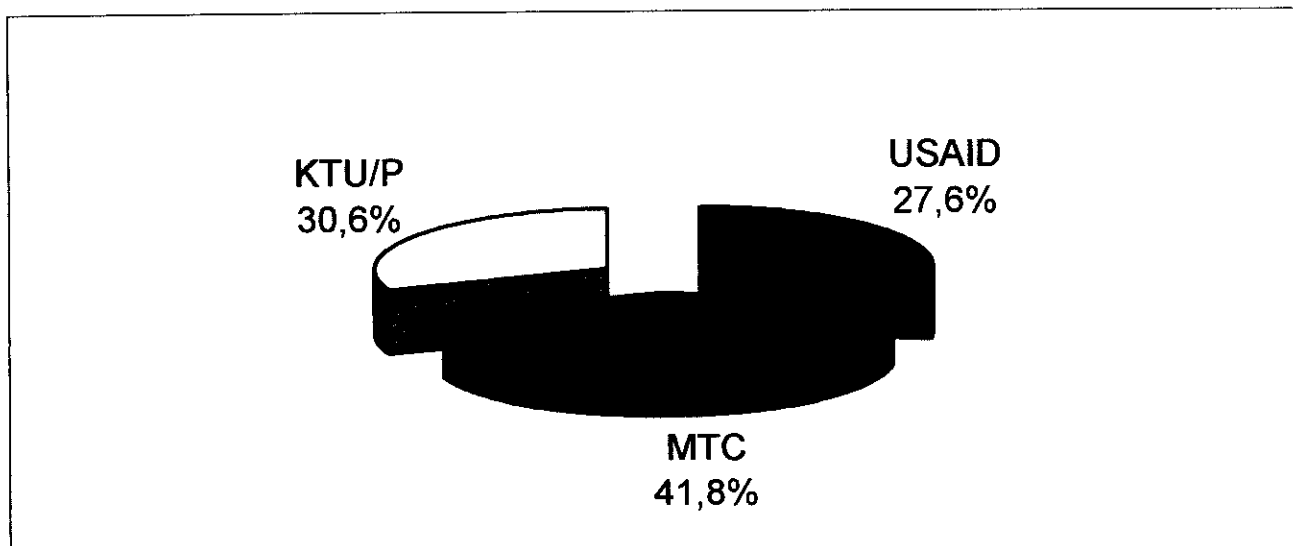
**Annual cash and in-kind contribution of USAID - MTC - KTU/P, USD
September 1997 - May 2000**

Period	1997	1998	1999	2000	Total	
USAID	9509,67	75831,24	50301,69	24032,36	159674,96	27,6%
MTC	19908,54	72851,31	113906,27	34687,84	241353,96	41,8%
KTU/P	22630,07	70163,74	63961,03	19946,68	176701,52	30,6%
Total	52048,28	218846,29	228168,99	78666,88	577730,44	100,0%



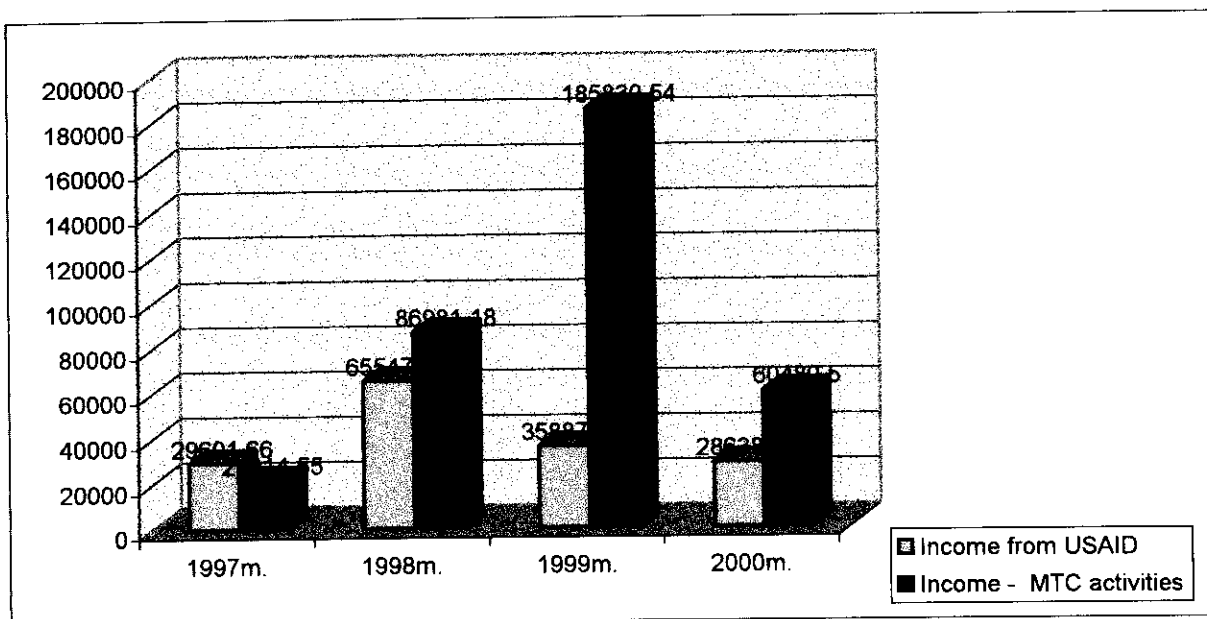
**Total cash and in-kind contribution of USAID-MTC-KTU/P, USD
September 1997 - May 2000**

Period	1997 - 2000	%
USAID	159674,96	27,6%
MTC	241353,96	41,8%
KTU/P	176701,52	30,6%
Total	577730,44	100,0%

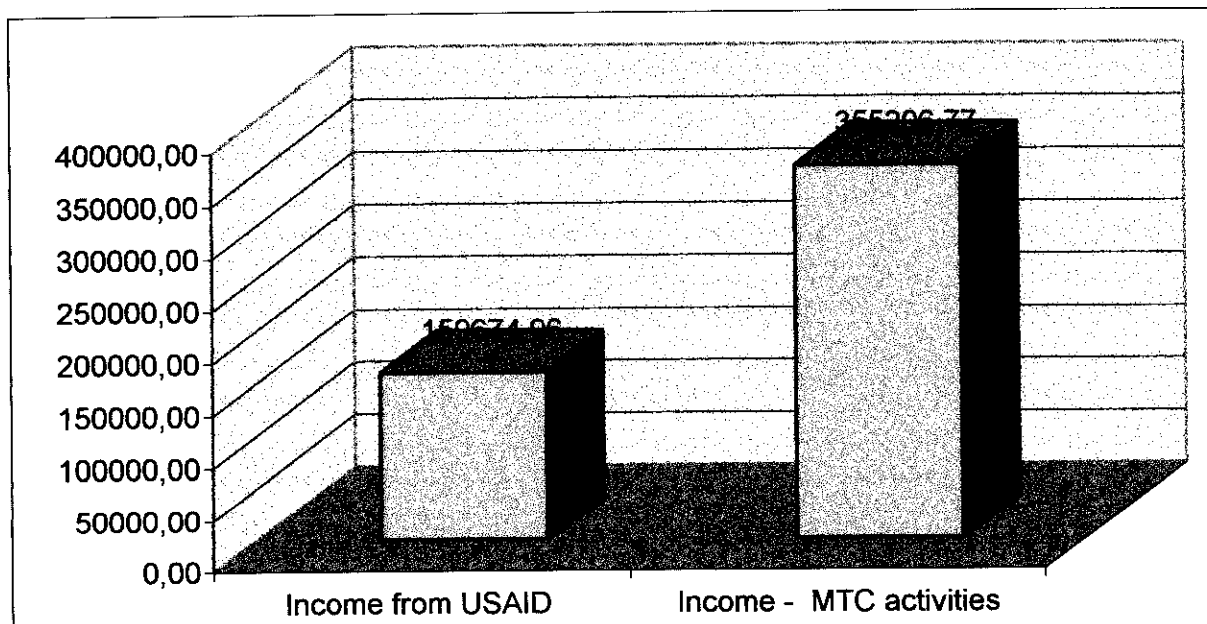


**Income from USAID financing vs. income from MTC activities, USD
September 1997 - May 2000**

Period	1997m.	1998m.	1999m.	2000m.	1997 - 2000
Income from USAID	29601,66	65547,58	35887,16	28638,56	159674,96
Income - MTC activities	21914,55	86981,18	185830,54	60480,5	355206,77
Total	51516,21	152528,76	221717,7	89119,06	514881,73

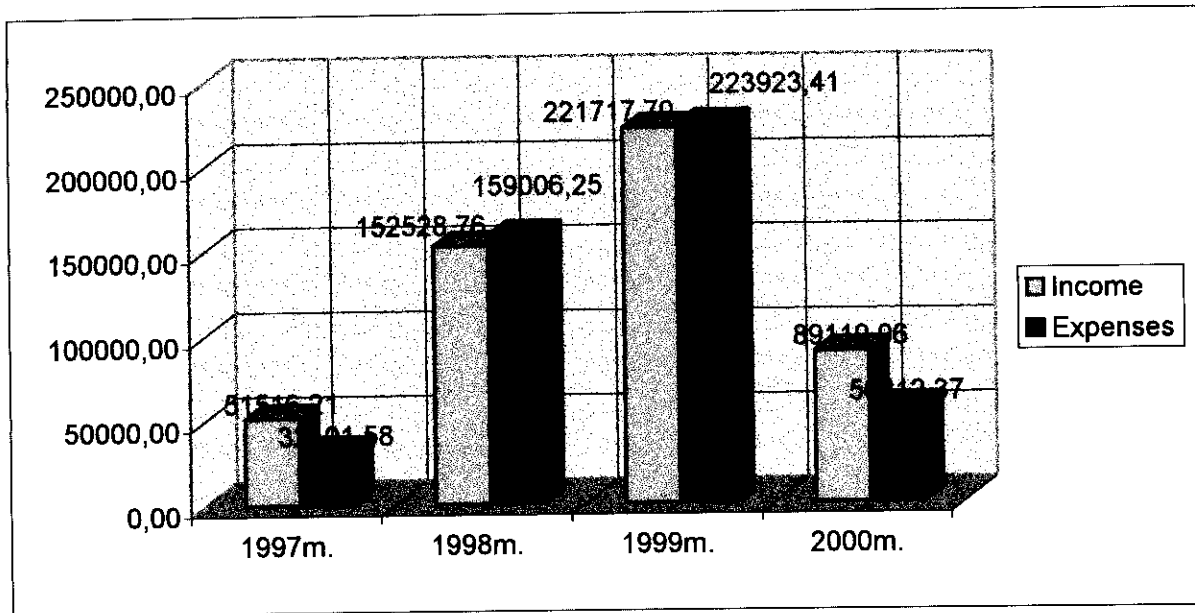


Period	1997 - 2000	%
Income from USAID	159674,96	31%
Income - MTC activities	355206,77	69%
Total	514881,73	100%



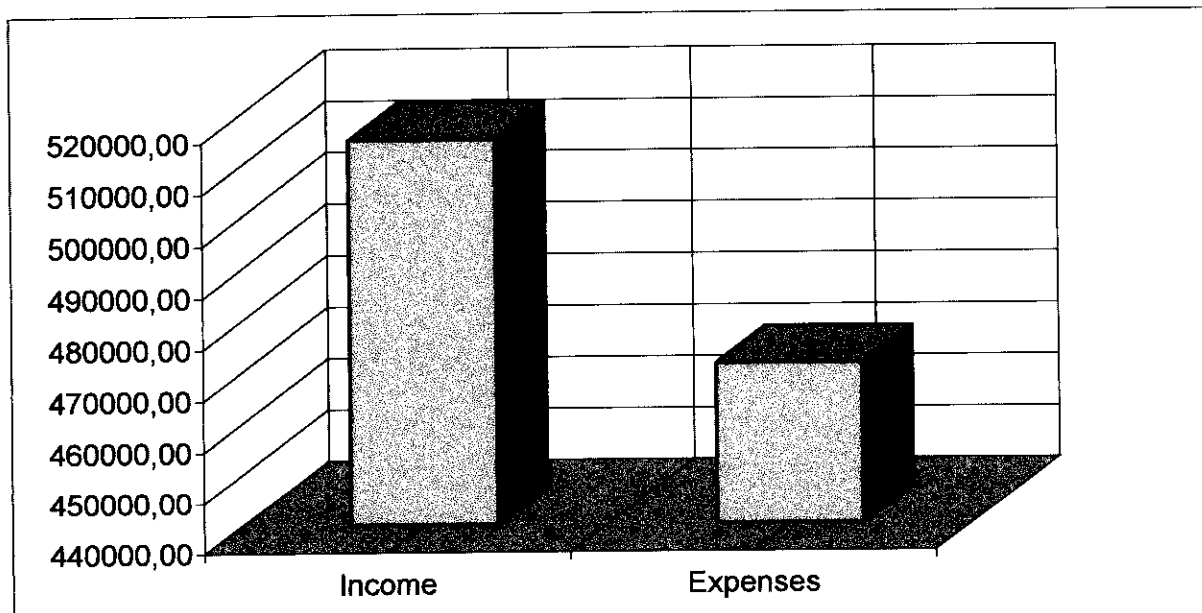
Income (MTC+USAID) versus expenses, September 1997 - May 2000, USD

Period	1997m.	1998m.	1999m.	2000m.	1997 - 2000
Income	51516,21	152528,76	221717,70	89119,06	514881,73
Expenses	32101,58	159006,25	223923,41	56212,37	471243,61
Profit (Loss)	19414,63	-6477,49	-2205,71	32906,69	43638,12



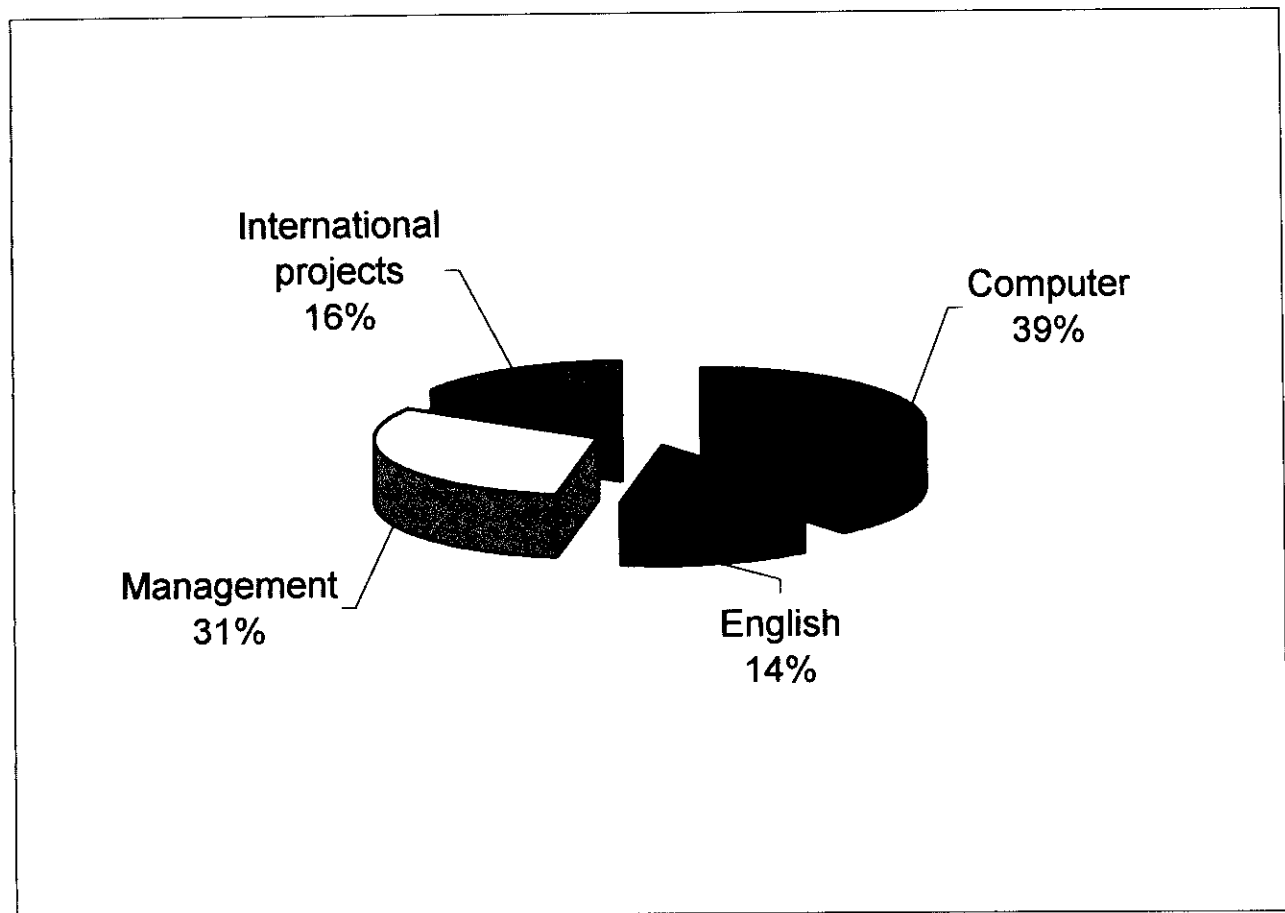
Total income versus expenses, September 1997 - May 2000

Period	1997 - 2000
Income	514881,73
Expenses	471243,61
Profit (Loss)	43638,12



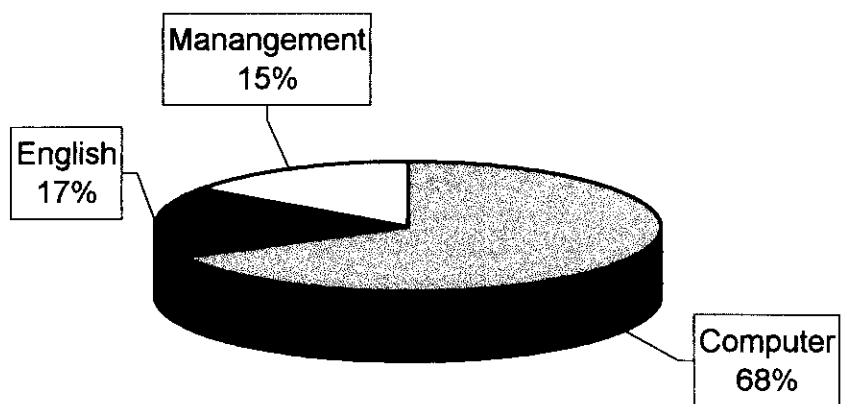
Total MTC income by categories, September 1997 - May 2000, USD

Period	1997 - 2000	%
Computer	139342,97	39,23%
English	48854,8	13,75%
Management	110228,74	31,03%
International projects	56780,26	15,99%
Total	355206,77	100%



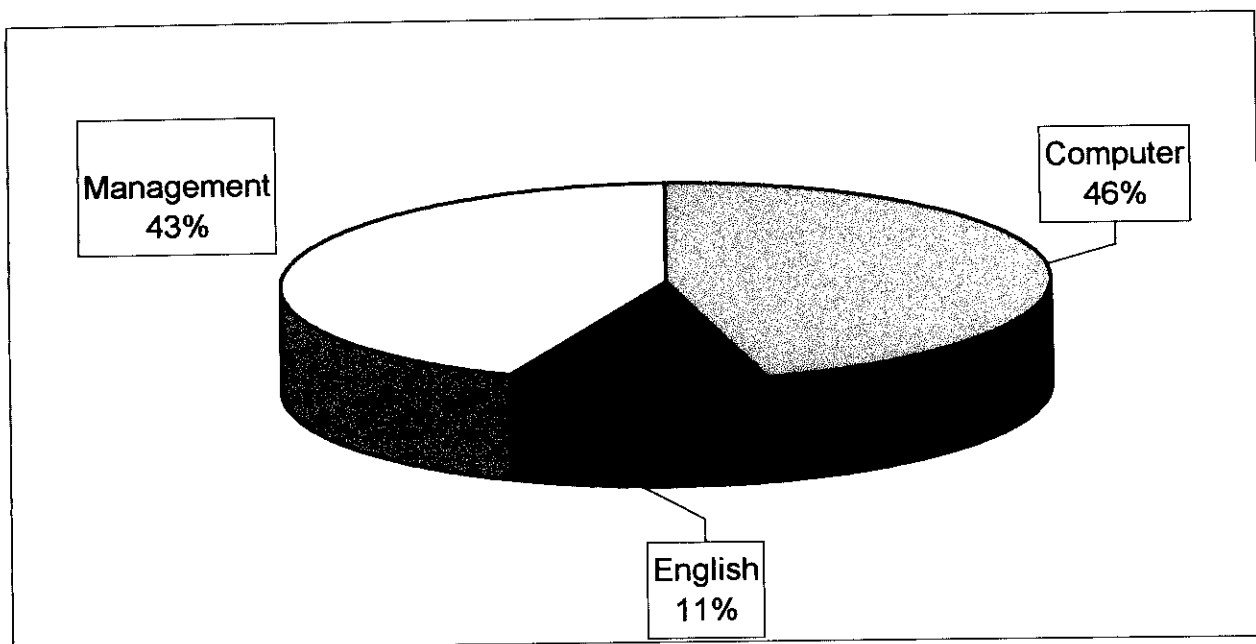
Income by categories, 1997 (September - December), USD

Type of course	\$	%
Computer	14716,46	67,15
English	3821,75	17,44
Management	3376,34	15,41
Total	21914,55	100



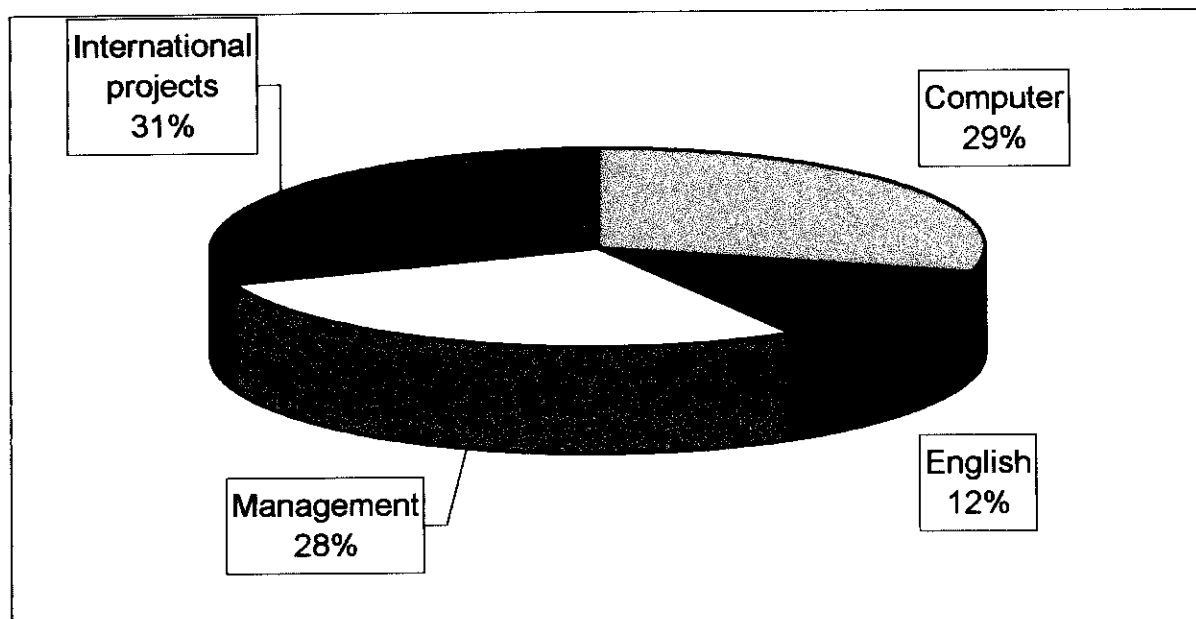
Income by categories 1998, USD

Type of course	\$	%
Computer	39876,03	45,84
English	9386,50	10,79
Management	37718,65	43,36
Total	86981,18	100



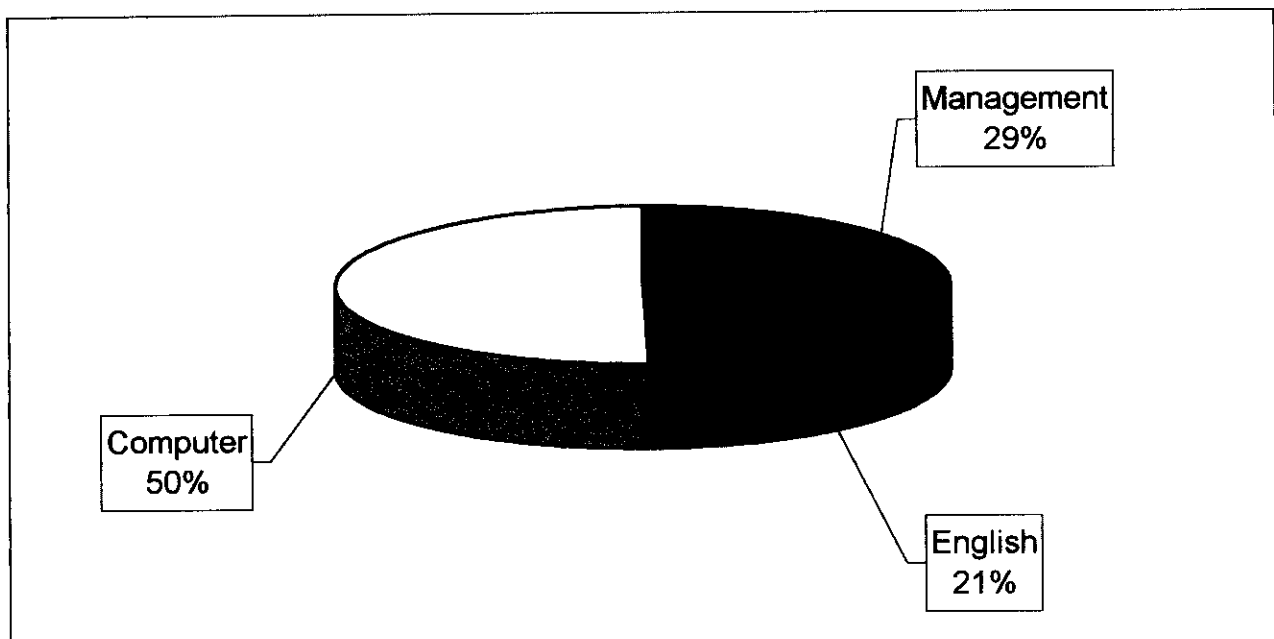
Income by categories 1999, USD

Type of course	\$	%
Computer	54318,98	29,23
English	22859,80	12,30
Management	51871,50	27,91
International projects	56780,26	30,55
Total	185830,54	100,00



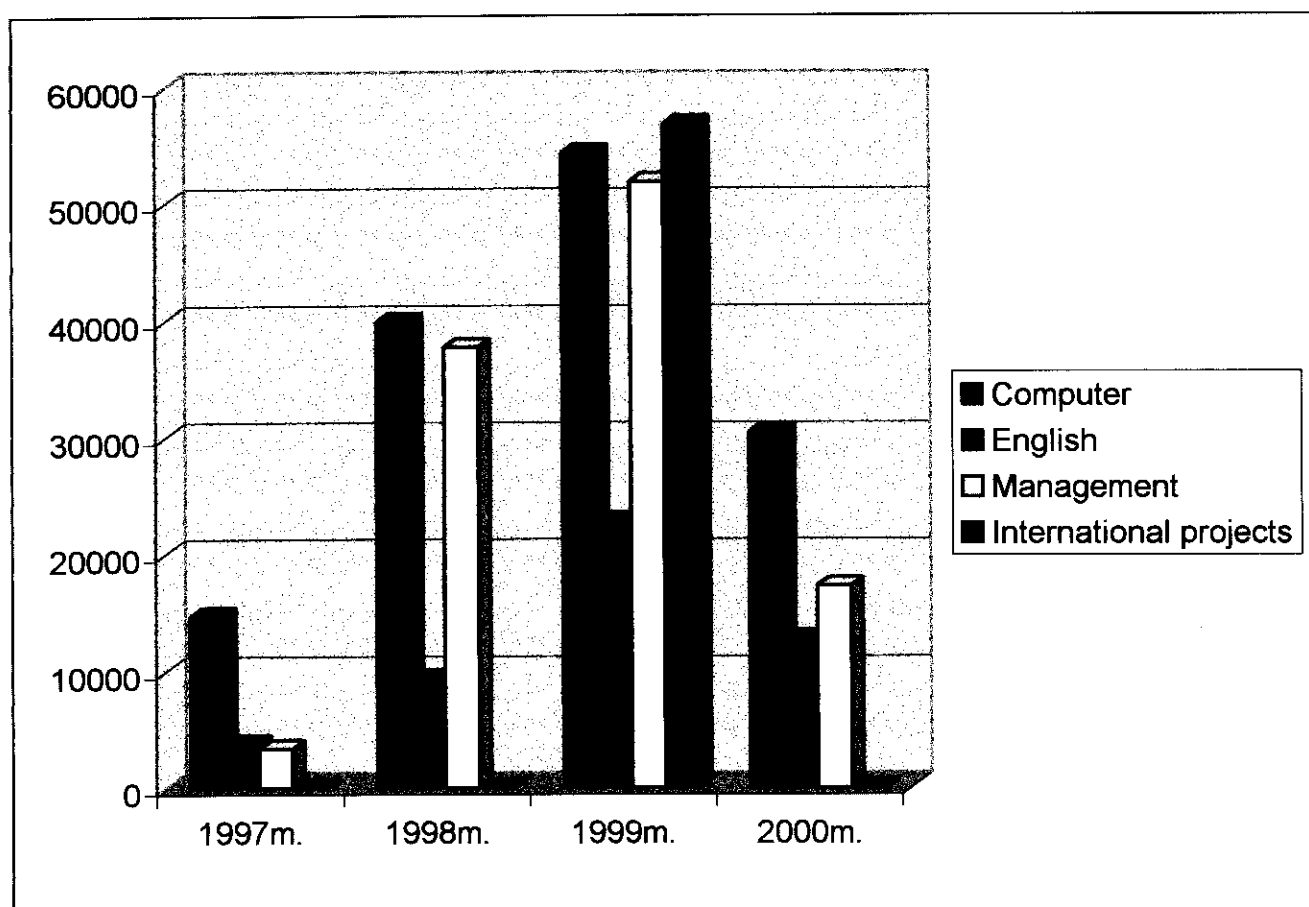
Income by categories, 2000 (January - May), USD

Type of course	\$	%
Management	17262,25	28,54
English	12786,75	21,14
Computer	30431,50	50,32
Total	60480,50	100,00



**Change in annual MTC income by categories, USD
September 1997 - May 2000**

Period	1997m.		1998m.		1999m.		2000m.		1997-2000	
	USD	%	USD	%	USD	%	USD	%	USD	%
Computer	14716,46	11%	39876,03	29%	54318,98	39%	30431,5	22%	139342,97	100%
English	3821,75	8%	9386,5	19%	22859,80	47%	12786,75	26%	48854,80	100%
Management	3376,34	3%	37718,65	34%	51871,50	47%	17262,25	16%	110228,74	100%
International projects	0,00	0,00	0,00	0,00	56780,26	100%	0,00	0,00	56780,26	100%
Total	21914,55	6%	86981,18	24%	185830,54	52%	60480,5	17%	355206,77	100%



4. Publications

Publications about Management Training Center

“Were glad to talk to police”, “Panevėžio balsas”, 12th June 2000
“Americans shared their experience”, “Panevėžio rytas”, 10th June 2000
“Americans taught to understand essence of leadership”, “Sekundė”, 8th June 2000
“Discovery company will try to raise interest in Lithuania”, “Sekundė”, 8th June 2000
“With Hilary”, “Panevėžio rytas”, 31st May 2000
“You may be a leader from the fifth grade”, “Sekundė”, 26th May 2000
“Pupils encouraged to forget taste of cigarette’s smoke”, “Sekundė”, 22nd May 2000
“Brining up of women’s powers starts from knowing”, “Sekundė”, 4th May 2000
“Taught how to understand oneself”, “Sekundė”, 3rd May 2000
“Water will be examined with apparatus, which was received as a gift from Americans”, “Sekundė”, 2nd May 2000
“Health is in an outlook of Panevezys leaders”, “Sekundė”, 1st May 2000
“What shows researches”, “Mindaugietis”, No 1(19) May 2000
“Inviting into our crew”, “Sekundė”, 22-24th April 2000
“Roads of international studies”, “Sekundė”, 18th April 2000
“There are money, only need to know how to get them”, “Sekundė”, 11th April 2000
“Divorce is waiting for Litas”, “Sekundė”, 4th April 2000
“Would disappear if wouldn’t meet society’s interests”, “Sekundė”, 2nd March 2000
“Presents and feast from liberals for Shrove-tide”, “Sekundė”, 8th March 2000
“Where are citizens born?”, “Sekundė”, 7th March 2000
“Support for small business”, “Sekundė”, 6th March 2000
“Company’s reorganization: painful but effective”, “Sekundė”, 28th February 2000
“Hotel Panevezys wrung entrepreneurs from Belarus”, “Sekundė”, 30th November 1999
“Lithuanian seminars are more useful than American ones”, “Sekundė”, 26th November 1999
“Belarus entrepreneurs are terrified by nationalization”, “Panevėžio balsas”, 25th November 1999
“Thousand dollar check for youth”, “Panevėžio balsas”, 22nd November 1999
“Close and distant Belarus”, “Sekundė”, 18th November 1999
“Program for Belarus’ entrepreneurs started”, “Sekundė”, 16th November 1999
“Belorusians took Russian businessmen’s place”, “Panevėžio balsas”, 16th November 1999
“Kaliningrad businessmen didn’t hide fascination for enterprises in Panevezys”, “Sekundė”, 9th November 1999
“Kaliningrad businessmen in Panevezys”, “Sekundė”, 3rd November 1999
“Russian businessmen will learn from Lithuanian mistakes”, “Panevėžio balsas”, 3rd November 1999
“Will teach Russians and Beylorussians”, “Panevėžio balsas”, 18th October 1999
“Panevezys citizens will teach foreigners secrets of business”, “Sekundė”, 16-17th October 1999
“Management training center overcame all rivals”, “Panevėžio balsas”, 16th October 1999
“Men of power were talking about power”, “Sekundė”, 12th October 1999
“We won’t eat pizza of Rita yet in Panevezys”, “Panevėžio rytas”, 6th October 1999
“Made a career without help of lovers”, “Panevėžio rytas”, 6th October 1999
“Three famous women about themselves and others”, “Sekundė”, 2-3rd October 1999
“Learning can be pleasant too”, “Sekundė”, 7th September 1999
“At international seminar persons who teach businessmen and unemployed people”,

"KTU Management training center will have to take off warm shirts of USAID",
 "Sekundė", 16th August 1999
 "Summer with computers", "Panevėžio rytas", 2nd July 1999
 "Though pupils wouldn't be bored in the summer", "Sekundė", 29th June 1999
 "You have to learn the beauty", "Panevėžio rytas", 22nd June 1999
 "Panevėžys – city with character", "Sekundė", 18th June 1999
 "Americans think Panevezys is unique", "Panevėžio balsas", 18th June 1999
 "Americans taught Lithuanian to be leaders", "Panevėžio rytas", 16th June 1999
 "Only personality becomes a leader", "Sekundė", 15th June 1999
 "Americans taught moral leadership", "Panevėžio balsas", 15th June 1999
 "Parents and children are invited to new program", "Sekundė", 9th June 1999
 "Does Panevezys need new image?", "Sekundė", 3rd June 1999
 "Modern tom soyers draw with computers", "Sekundė", 3rd June 1999
 "Program "Youth leaders 2000" invites", "Panevėžio balsas", 2nd June 1999
 "Product creates Lithuanian image", "Panevėžio balsas", 31st May 1999
 "How Management training center fixed in trouble", "Sekundė", 20th May 1999
 "Pupils will learn how to serve community", "Panevėžio balsas", 19th May 1999
 "How to stop wheel of destiny", "Sekundė", 11th May 1999
 "Though women wouldn't stay on the wayside of life", "Sekundė", 8th April 1999
 "Those who can be predictable are respected", "Sekundė", 27-28th March 1999
 "Taught to be leaders", "Panevėžio rytas", 27th March 1999
 "New project for women", "Sekundė", 4th February 1999
 "Businessmen try to avoid budget services", "Sekundė", 3rd February 1999
 "World generations learn to associate", "Sekundė", 23-24th January 1999
 "After nine months information for leaders about Viagra", "Sekundė", 22nd December 1998
 "Honorable men clubs intend to co-operate", "Sekundė", 11th December 1998
 "New Euro will leave dealers jobless", "Sekundė", 10th November 1998
 "It's easier not to get ill than to defeat illness", "Sekundė", 31st October - 1st November 1998
 "American reminded how to earn a good name", "Sekundė", 29th September 1998
 "What financial support can get non-governmental organization?", "Sekundė", 22nd September 1998
 "Will teach to clench on life", "Panevėžio balsas", 16th September 1998
 "Clients vote for restaurant's success with their pockets", "Sekundė", 15th September 1998
 "Saturday schools become popular", "Sekundė", 14th September 1998
 "A gift from American to Child care house", "Sekundė", 12-13th September 1998
 "Generous millionaire will die when he'll stop to learn", "Panevėžio balsas", 12th September 1998
 "Partisans" ready to outrun leaders of market", "Sekundė", 16th June 1998
 "How to use formula to get money", "Sekundė", 9th June 1998
 "How dinosaurs made Lithuanian amber popular in America", "Sekundė", 2nd June 1998
 "To what Panevezys will open its gates?", "Sekundė", 21st May 1998
 "Will leaders of Panevezys succeed to make city attractive for investments?", "Sekundė", 19th May 1998
 "American W. Sears knows how to get well paid job", "Sekundė", 28th April 1998
 "Will Panevezys become attractive place for business?", "Sekundė", 21st April 1998
 "Will raise flourishing leaders of society", "Panevėžio balsas", 23rd March 1998
 "Ball with ambassador", "Panevėžio rytas", 11th October 1997

5. List of projects

List of Projects

During the years of the Cooperative Agreement with the USAID, 1997-2000, the Management Training Center has sought other sources of income to supplement its revenue from training in business management, computer technologies and foreign languages. Therefore, it has participated in several tenders to provide training.

Below is the list of successful project proposals that resulted in receiving financing:

1. Training of Social Workers – Practitioners – 3 modules:

- a) Skills of Social Communication and Ethics;
- b) Work with Disadvantaged Children and Their Families;
- c) Training module for managers of social work.

June 1999 – December 1999. Financed by the Ministry of Social Security and Labor of the Republic of Lithuania - \$3115.

2. Youth Leaders 2000.

June 1999 – May 2000. Financed by the Panevezys city (Lithuania) municipality - \$4500.

3. Lithuania Training of Kaliningrad Entrepreneurs.

November 1, 1999 – November 13, 1999. Financed by USAID/Moscow - \$29,770

4. Belarus Business Management Training.

November 15 – November 26, 1999. Financed by USAID/Kiev - \$27,010

5. Training of Social Workers – Practitioners – 3 modules:

- a) Lithuanian Social Security System;
- b) Skills of Social Communication and Ethics;
- c) Training module for managers of social work.

September – December, 2000. Financed by the Ministry of Social Security and Labor of the Republic of Lithuania – the exact amount will be determined by the number of persons enrolled in the programs. Approximate amount - \$5,000.

Note: A grant proposal “Youth Leaders – Community Service Volunteers” for the

Partnership Program, Vilnius, Lithuania, in May 2000. The decision of the experts will be announced by the end of June 2000. The amount requested - \$12,342.

6. Success stories

Success stories

Business management programs

More than 60 insurance agents of the Panevezys Affiliate of Stock Company Lithuanian Insurance participated in a series of seminars ‘Effective selling of insurance services’. After the training a significant improvement of employees efficiency and work results has been achieved. Number of extended insurance contracts after expiration of their validity period increased by 5 %. Employees’ attitude to servicing customers and selling changed, they feel more confident in themselves and armed with “tools” to work. Better use of professional selling techniques enabled to serve more people than prior to training. Despite the difficult economic situation the growth of life insurance payments increased by 22.4 % compared to year 1998. The growth of other than life insurance payments from physical entities and legal entities comprised 24.3 % and 4.2 %, respectively, compared to results before training. Qualifications of Panevezys Affiliate agents increased significantly compared to agents of other affiliates who did not get such training. So did the results of their work.

Danute Milciene
Director
SC Lithuanian Insurance Panevezys Affiliate

MTC seminars “Effective selling of insurance services”, where more than 30 agents of SC Lithuanian Insurance Siauliai Affiliate participated, contributed to maintaining the same volumes of sales of insurance services despite the worsening of economic situation in the city. People acquired more knowledge, their qualification increased, they became more confident and learned more about the service they offer and its quality.

Angele Majauskiene
Deputy Director
SC Lithuanian Insurance Siauliai Affiliate

Employees and managers of the joint stock company Kelias, a trucking company, trading in Volvo cars, spare part for cars and trucks, tires and also involved in public catering business, participated in various seminars organized by the Management Training Center: “Modern sales methods”, “Professional dining room service”, “Guerilla marketing” and others. Thanks to the training, the company was able to reorient itself from Russian market towards the Western market. Practically in all European countries this company has its partners. During the last year company’s turnover decreased by 1 mln. Lt, due to the changes of the exchange rate of German mark, otherwise turnover would have been maintained at the same level. Company started new department of automobile service (they had just a truck service before) in Panevezys; 10 new jobs were created. Soon another car service department will be started in Utena and 16 new jobs will be created. The company started providing free post – purchase services to its customers to gain a competitive advantage. Owners of the company say, that influence of training is very positive in a short run that’s why training must be continued on a regular basis.

Algirdas Kuklierius

Director General
JSC Kelias

30 employees of the Panevezys Affiliate of the Lithuanian Agricultural Bank were trained by the MTC in seminars "Effective teamwork" and "Selling of bank products". Internal atmosphere and interrelations at work improved, an understanding of essence and importance of teamwork appeared, management and feedback improved, people are prepared now psychologically for competition and approaching privatization of the bank. The employees are doing a much better job in direct sales. Sales of services in March increased by 10 %. The Manager of the Panevezys Affiliate, Mr.Zukauskas, evaluates the results of training as being significant.

Egidijus Zukauskas
Manager
Lithuanian Agricultural Bank Panevezys Affiliate

Closed stock company *Geminga*, a travel agency also selling mobile phones and doing advertising publishing, has participated at the Telemarketing seminar. As a result of the training the company increased its efficiency by 60%. Seven out of ten calls produce a client. Earlier the ratio was 10 to 1. Overall sales of the company increased by 60 –80%. The implementation of the new telemarketing search techniques produced 50% more clients over the period of two months following the training. Four sales agents of the company apply this new marketing technique.

The owner of a private cosmetics salon and the distributor of company *Dermajetics* who attended the telemarketing training attribute the 40% increase in sales to the acquired knowledge. She also managed to turn 30% of her salon customers into the buyers of *Dermajetics* products. One additional job has been created at her cosmetics salon.

Closed stock company *Serpantinas* sells welding equipment. The employees of the company attended 17 courses and seminars provided by MTC over a period of more than two years. The company considers training as the essential element for the increase of the efficiency. The company learned to work with foreign partners and thanks to the training increased their number by 15%. The creation of a marketing plan increased sales by 30%. During the last year 5 jobs have been created - 3 in Siauliai and 2 in Klaipeda at the branch offices of the company.

Individual company of V.Juska *Kakadu* is a pizza restaurant. The owner himself attended Small Business Management course and a computer course with the MTC, prepared a business plan and did a market research. He then got a bank loan of \$20,000 and moved to new renovated and centrally located facilities. He created 3 additional jobs, increased production by 40%, computerized accounting, and increased the range of services. The company sales increased by 40%. Last year the company opened another restaurant in Panevezys. 5 new jobs were created.

Lithuanian-Russian closed stock company sells office equipment. After all the company employees have gone through the telemarketing training, the marketing department has been reorganized by specializing each staff member to sell only very specific items. With

the application of the new methods telephone sales increased by 50%, general sales – by 40%. New client range increased by 30%. One job has been created.

Computer courses

Testimonials of Lithuanian Telecom employees who attended series of computer courses:

- I took over more responsibilities, because I have time to accomplish more tasks and my salary increased;
- I ensured a possibility for myself to stay flexible in our fast changing job;
- I found out how to do complex calculations and other ways to facilitate work;
- I recalled what has been forgotten and strengthened the knowledge that I already had;
- One year before only several employees had computers; now everybody who knows how to use it, gets it.

Testimonial of Janina Mikelinskiene, Group Manager of Panevezys Customer Service Center of Lithuanian Telecom:

- It is easier to use a computer and work time is being saved;
- These skills saved some people from losing their jobs, because they managed to adapt themselves to new work requirements;
- Several persons have been promoted;
- Participants help their colleagues at work and consult them. On average every participants consulted 2 colleagues who did not participate in training;

Foreign language courses

In March – May, 1999 30 people from Panevezys city municipality attended English courses in Management Training Center. According to Rita Bytautaite, Manager of Informatics Service, she needs English in her direct work and courses allowed to accomplish tasks more efficiently.

Audrone Grainiene, Manager of Children Rights Protection Service, improved the quality of her spoken English. After the courses she had to present a social program in Kalmar city, Sweden, and she didn't need an interpreter for that and to communicate with the representatives from English speaking countries.

Vida Greiciuviene, Deputy Manager of Assets Management Department, said that after the training she feels more confident in business communications with foreigners.

Manager of Mayor's Secretariat, Sonata Saparnyte, told that participants were enthusiastic and would be eager to continue training. Knowing the language helps very much while travelling and communicating with foreign guests. Improved qualification reflects in the improved image of Municipality itself and its employees.

In 1999-2000 the MTC organized courses for Company "Ochoco Lumber" in Kupiskis (beginners and advanced levels). People learned good basics and feel more confident in communications with foreigners.

Testimonials of Kaliningrad Entrepreneurs Training Program participants

Program conducted by the MTC in November 1-13, 1999

Note: Data is based on the answers of the program participants to a follow-up questionnaire distributed in March, 2000.

Company “Monopolj”

After the training, company reorganized it's structure into the one that consists of individual enterprises, that do not have the rights and obligations of legal entities, and the mother company plays the role of planning and control and owns assets and equipment. Costs of additional taxes were **decreased by 23%**. Enterprises now work with patents and that **saves 8%** of turnover. **Accounting procedures were simplified and require less work**, therefore, that allowed not to increase amount of accounting done even in case of opening a new shop.

“Monopolj” started applying a **budget-based finance management** they learned in Lithuania. Specialists from departments are involved in budgeting as well. Incentives are applied basing on achieving budgets.

“Monopolj” **developed a new marketing strategy** and reoriented themselves to customers with lower income. They started practicing big sales before festivals and discounts for regular customers. After completing a comparative analysis of suppliers and their terms and Kaliningrad market they decided to focus on widening and modernizing sales network. Net profit **increased by 12%**.

“Monopolj” **developed a business plan** for new shop that helped to discover resources available and enabled to complete work without a bank credit. They used delayed payment of rent and negotiated delayed payment to the suppliers. Because of new assortment of goods **period of inventory turnover decreased from 36 to 28 days**.

Because of the above mentioned efforts “Monopolj” has remained distributor of “Adidas” despite of more financially powerful competitors’ efforts to overtake their market share.

Company “Ortika”

Assortment of goods has been widened and new suppliers found. Number of customers **increased by 3%** and turnover **increased by 12%**. Analysis of company’s activities has been made, and basing on the acquired knowledge, methods of work organizing, supply planning and customer service have been re-considered and re-evaluated. Company is applying **experience of Lithuanian companies** in organizing every day operations and personnel management. Information received during training improved mutual understanding among managers, their communication with subordinates became **more professional and effective**.

Testimonials of Belarus Business Management Training Program participants

Program conducted by the MTC in November 15-26, 1999

Note: Data is based on the answers of the program participants to a follow-up questionnaire distributed in March, 2000.

Companies “Lesnoi tzarj” and “Arsul” (owned by family)

Companies are increasing their market share by **expanding sales** in Belarus and Russian Federation with new products. A marketing and sales department has been formed and one production department reorganized into independent daughter company. **7 new jobs** have been created and **profit increased by 8-10%**. Profitability of products has been analyzed and more of the most profitable products are being produced. All managers have been presented the material received in Lithuania and **communications between departments became smoother**. With appropriate amendments, company is conducting **advertising campaign**, created in Lithuania.

Company “Volga”

A **new business** activity has been started. Profit **increased by 15%**. According to methods learned in Lithuania comprehensive analysis of economic activities has been made. Turnover **increased by 15-20%**. **On the basis of action plan written in Lithuania, a business plan has been prepared and credit of \$40 000 received**. Basing on experience of Lithuanian companies, a **strategy of “deep specialization and perfection of current business”** is being implemented.

Company “Biotest”

During three months production **increased by 40%**. **3 new jobs** created. New job descriptions allowed to decrease the management apparatus **by 10%**. Negotiations are being held with **Lithuanian partners** about supplying products to Lithuania. **Business plans are being made** with two participants of the same program. During the training period (November, 1999) the company experienced losses. In February, 2000, its **profitableness was 7%**. Analogue of the **system of computerized accounting** used in Lithuanian J.Pipa company has been installed.

Company “Prosima”

New products, seen in Lithuania, are being produced and sales **volumes increased by 30%**. **12 new jobs** created and profit **increased by ~30%**. Systems of marketing and percentage-from-sales based form of payment are being applied.